

**EXHIBIT 1 – ACUITY, A
MUTUAL INSURANCE
COMPANY INSURANCE
POLICY**

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MUTUAL INSURANCE
COMPANY INSURANCE
POLICY**



September 3, 2019

EW LIVE LLC
DBA EGG & I
5321 CAMERON ST
LAS VEGAS NV 89118

Policy Number: ZD8324

Dear Policyholder:

Thank you for insuring with *ACUITY*.

With *ACUITY*, you can expect fast and fair claims service. You can also expect competitive rates and coverage, a willingness to listen and respond, prompt and accurate policy processing, a highly competent and courteous staff, financial strength and a wide range of flexible billing options.

We really do appreciate your business. If you have any questions or problems relating to your insurance, please do not hesitate to contact us.

It is our pleasure to serve you!

ACUITY

Represented by

SAFEGUARD INSURANCE
(702) 638-0022



September 3, 2019

EW LIVE LLC
DBA EGG & I
5321 CAMERON ST
LAS VEGAS NV 89118

Policy Number: ZD8324

Dear Policyholder:

Welcome to Acuity!

Your business is now insured under the Acuity Commercial Package Policy Program. By choosing Acuity, you have selected a commercial insurer committed to quality. Our commitment to you includes state-of-the-industry coverages plus policy, claims and loss control services that meet the highest standards. We look forward to a long association as a provider of vital insurance protection for your business operations.

Your Independent Agent

This policy is sold and serviced by an independent insurance agent. Because independent agents can provide insurance coverage through more than one company, you can be confident that you have made a wise selection. Your agent stands ready to serve your needs and answer your questions with regard to this policy.

Terrorism Information

Please refer to the Policyholder Disclosure Notice of Terrorism Insurance Coverage and any applicable Terrorism Premium Information page(s) following this letter for information regarding the Terrorism Risk Insurance Act.

At your request, your policy has been issued **without** coverage for losses resulting from terrorist acts as defined in the Act. Coverage does apply under workers' compensation insurance if included in this policy.

The Terrorism Risk Insurance Program is scheduled to terminate on December 31, 2020. Please refer to the Potential Change in Terrorism Coverage During the Term of Your Policy notice for details regarding changes in your coverage for acts of terrorism if the Program is not extended by the federal government.

For More Information

Please contact your agent if you have any questions or desire any changes in your policy. Your agent can also help determine if your coverage adequately meets your insurance needs.

Thank you for insuring with Acuity.

Acuity

Represented by

SAFEGUARD INSURANCE
STE 201
LAS VEGAS NV 89119
702.638.0022



September 3, 2019

EW LIVE LLC
DBA EGG & I
5321 CAMERON ST
LAS VEGAS NV 89118

Policy Number: ZD8324

Information About Your Policy Regarding Mold, Bacteria or Fungi Coverage

Excess Liability

Fungi or Bacteria Exclusion, CU-7054(3-03)

- There is no coverage under your Commercial Excess Liability Coverage Form for injury or damage arising directly or indirectly out of fungi, including but not limited to mold, mildew and byproducts thereof, or bacteria that is on or within a building or structure, including its contents. We will not pay for any loss, cost or expense arising out of testing for, cleaning up, removing or disposing of fungi or bacteria.

Bis-Pak

Deluxe Bis-Pak Property Coverage Form, CB-0002(8-15)

- Coverage for loss or damage caused by fungi, including, but not limited to, mold, mildew, and byproducts thereof, wet rot, or dry rot that result from a covered cause of loss, other than fire or lightning, is limited to a policy annual aggregate of \$15,000 under the Bis-Pak Property Coverage Form.
- Under Business Income and Extra Expense Coverage, we will pay the amount of covered loss or expense sustained in a 30-day period due to loss or damage to property caused by fungi, wet rot, or dry rot. If fungi, wet rot, or dry rot is not the cause of the loss or damage, but remediation of the fungi, wet rot, or dry rot prolongs the period of restoration, we will pay for the loss or expense sustained during the delay for up to 30 days.
- Under the Increased Cost of Construction Additional Coverage, we will not pay for costs associated with the enforcement of or compliance with any ordinance or law that requires the demolition, repair, or remediation of property due to fungi, wet rot, dry rot, or pollutants or that requires you to test for, clean up, remove, or assess the effects of fungi, wet rot, dry rot, or pollutants.

Important Notice

Attached are a Policyholder Disclosure Notice of Terrorism Insurance Coverage and any applicable Terrorism Premium Information page(s), which provide you with information regarding the Terrorism Risk Insurance Act.

At your request, we issued this policy so that, where permitted, coverage does not apply to losses caused by terrorist acts as defined in the Act. You have the right to have this coverage added to your policy if you have decided, since signing the rejection form, that you would like coverage. You may do this any time during the 30 days following the date shown on the bottom right corner by signing this letter and submitting it using one of the following methods:

**Mail: Acuity
PO Box 58
Sheboygan, WI 53082-0058**

Email: clservice@acuity.com

Fax: 920.458.1618

This coverage will not be available to you again until your next renewal.

Premium information for adding this coverage is shown in the attached Terrorism Premium Information page(s). If you choose to add the coverage at this time, we will update your current premium payment plan accordingly.

Please contact your agent if you have any questions regarding this law.

I hereby request coverage for terrorist acts as defined in the Terrorism Risk Insurance Act.

First Named Insured's Signature

Date

**Policyholder Disclosure
Notice of Terrorism Insurance Coverage**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019; and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS UNITED STATES GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

At your request, the attached policy **excludes** coverage, where permitted, for terrorism as described in the Act. Any premium charge for terrorism coverage is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Act and the location of any property covered under the policy. The attached Terrorism Premium Information sheet provides complete information for developing this premium.



Terrorism Premium Information Nevada

The premium for terrorism coverage, *as defined in Section 102(1) of the Act*, is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Terrorism Risk Insurance Act and the location of any property covered under the policy. Refer to the attached Policyholder Disclosure Notice of Terrorism Insurance Coverage for a description of applicable provisions in the Act.

If your <i>ACUITY</i> policy contains the following coverage part:	The premium charge for terrorism insurance if you accept coverage under the Act is:
<ul style="list-style-type: none"> • Bis-Pak - Property Portion of Your Premium 	<ul style="list-style-type: none"> • 12% of the property premium applying in Clark County • 9% of the property premium applying in Washoe County • 6% of the property premium for all other locations
<ul style="list-style-type: none"> • Bis-Pak - Liability Portion of Your Premium 	<ul style="list-style-type: none"> • 1% of the liability premium applying to your policy
<ul style="list-style-type: none"> • Commercial Property and Commercial Inland Marine Coverage Parts 	<ul style="list-style-type: none"> • 12% of the premium applying in Clark County • 9% of the premium applying in Washoe County • 6% of the premium for all other locations
<ul style="list-style-type: none"> • Commercial General Liability and Commercial Excess Liability Coverage Parts 	<ul style="list-style-type: none"> • 1% of the premium applying to each of the coverage parts
<ul style="list-style-type: none"> • Workers' Compensation * 	<ul style="list-style-type: none"> • The premium charge is \$.06 for each \$100 of payroll for all classes.

* Workers' Compensation coverage automatically applies to loss caused by terrorism. You are **not** permitted to reject this coverage.



**SPECIALIZING IN
INSURANCE FOR
RESTAURANTS**

**COMMON POLICY
DECLARATIONS**

First Named Insured and Address:

EW LIVE LLC
DBA EGG & I
5321 CAMERON ST
LAS VEGAS NV 89118

Agency Name and Number:

8246-AZ (702)638-0022
SAFEGUARD INSURANCE
STE 201
375 E WARM SPRINGS
LAS VEGAS NV 89119

Policy Number: ZD8324

Policy Period: Effective Date: 09-01-19
Expiration Date: 09-01-20
12:01 A.M. standard time at
your mailing address shown
in the declarations

This is not a bill. If premium is due, a billing notice will be sent separately.

COVERAGE

Your coverage consists of the following lines of insurance for which a premium is indicated.
This premium may be subject to adjustment.

General Liability	250.00
Automobile	15,720.00
Excess Liability	10,311.00
Bis-Pak	52,319.00
Total Advance Premium	\$ 78,600.00

A portion of the premium paid for this policy is attributable to the general premium tax.

09-03-19

Countersignature Date

Countersignature/Authorized Representative

Secretary

President

MUTUAL POLICY CONDITIONS

Every person, co-partnership or corporation insured by the company shall be a member of it and shall have one vote. The annual meeting of the members shall be held on the first Tuesday in March at 1:30 P.M. of each year, at the corporate headquarters of the company in Sheboygan, Wisconsin. Notice printed in each policy shall be sufficient as to the time and place of said meeting.

The Named Insured, upon termination of this policy, shall participate in the distribution of dividends, if any are declared, and fixed as determined by the directors in accordance with law.

This policy is nonassessable and the liability of the Named Insured to the company is limited to the payment of the premium herein provided.

Corporate Headquarters Address

ACUITY
2800 South Taylor Drive
PO Box 58
Sheboygan, Wisconsin 53082-0058
(800) 242-7666

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COMMERCIAL GENERAL LIABILITY COVERAGE PART

Declarations

First Named Insured and Address:

EW LIVE LLC
DBA EGG & I
5321 CAMERON ST
LAS VEGAS NV 89118

Agency Name and Number:

SAFEGUARD INSURANCE
8246-AZ

Policy Number: ZD8324

Policy Period: Effective Date: 09-01-19

Expiration Date: 09-01-20

In return for the payment of the premium and subject to
all the terms of the policy, we agree to provide the
insurance coverage as stated in the same.

12:01 A.M. standard time at
your mailing address shown
in the declarations

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CG-0033R (12-07)	Liquor Liability Coverage Form	\$
IL-0017F (11-98)	Common Policy Conditions	
IL-0021F (03-14)	Nuclear Energy Liability Exclusion - Broad Form	
CG-2187R (01-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
CG-7322 (01-15)	Exclusion of Certified Acts of Terrorism	
IL-0115R (01-10)	Nevada Changes - Domestic Partnership	
IL-0251F (09-07)	Nevada Changes - Cancellation and Nonrenewal	
IL-7012 (01-18)	Asbestos Exclusion	
Advance Endorsement Premium		\$

PREMIUM SUMMARY

Advance Schedule Premium	\$	250.00
Advance Endorsement Premium		
Total Advance Premium	\$	250.00

The Total Advance Premium shown above is based on the exposures you told us you would have when this coverage part began. We will audit this coverage part in accordance with Section IV - Conditions, item 5 Premium Audit at the close of the audit period.

LIMITS OF INSURANCE

Aggregate Limit	\$	2,000,000
Each Common Cause Limit		1,000,000

SCHEDULE OF LIABILITY CLASSIFICATIONS

Policy Number: ZD8324
Effective Date: 09-01-19

Unit No.	Classification Description	Class Code	Premium Basis ¹	Rates Premises	Products	Advance Premium
001	Restaurants, Taverns, Hotels, Motels, Including Package Sales-States Where Liquor Liability is Imposed by Statute or Under Common Law Principles -Not Including Michigan	58161	117,708 GS	.023		\$ 239.00 ²
002	Restaurants, Taverns, Hotels, Motels, Including Package Sales-States Where Liquor Liability is Imposed by Statute or Under Common Law Principles -Not Including Michigan	58161	120,244 GS	.023		3.00
003	Restaurants, Taverns, Hotels, Motels, Including Package Sales-States Where Liquor Liability is Imposed by Statute or Under Common Law Principles -Not Including Michigan	58161	106,954 GS	.023		2.00
004	Restaurants, Taverns, Hotels, Motels, Including Package Sales-States Where Liquor Liability is Imposed by Statute or Under Common Law Principles -Not Including Michigan	58161	61,771 GS	.023		1.00
005	Restaurants, Taverns, Hotels, Motels, Including Package Sales-States Where Liquor Liability is Imposed by Statute or Under Common Law Principles -Not Including Michigan	58161	83,681 GS	.023		2.00
006	Restaurants, Taverns, Hotels, Motels, Including Package Sales-States Where Liquor Liability is Imposed by Statute or Under Common Law Principles -Not Including Michigan	58161	137,826 GS	.023		3.00
007	Restaurants, Taverns, Hotels, Motels, Including Package Sales-States Where Liquor Liability is Imposed by Statute or Under Common Law Principles -Not Including Michigan	58161	If Any GS	.023		
Advance Schedule Premium						\$ 250.00

¹ GS = Gross Sales - Rates Apply Per 1,000

² Minimum premium applies.

Policy Number: ZD8324
Effective Date: 09-01-19

AUDIT PERIOD

Annual

FIRST NAMED INSURED IS:

LTD LIAB COMPANY (LLC)

ADDITIONAL NAMED INSUREDS

WHO IS AN INSURED (Section II) includes the following Additional Named Insureds:

EGG WORKS HOLDING COMPANY LLC
EGG WORKS HOLDING COMPANY LLC A NEVADA SERIES LIMITED
LIABILITY SERIES E
E&I CATERING LLC
EGG WORKS HOLDING COMPANY LLC SERIES 'F'
EW LIVE LLC DBA EGG WORKS
EGG WORKS 2 LLC
EGG WORKS 3 LLC
EGG WORKS 4 LLC
EGG WORKS 5 LLC
EGG & I LLC
SERIES A EGG WORKS HOLDING COMPANY LLC
SERIES D EGG WORKS HOLDING COMPANY LLC

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:

5321 CAMERON ST
LAS VEGAS, NV 89118

6960 S RAINBOW BLVD
LAS VEGAS, NV 89118

10839 S EASTERN AVE
HENDERSON, NV 89052

2025 VILLAGE CENTER CIR
LAS VEGAS, NV 89134

4533 W SAHARA AVE STE 5
LAS VEGAS, NV 89102

9355 W FLAMINGO RD STE 3
LAS VEGAS, NV 89147

2490 E SUNSET RD
LAS VEGAS, NV 89120

4580 W HACIENDA AVE
LAS VEGAS, NV 89118

7591 TULE SPRINGS RD
LAS VEGAS, NV 89131

LIQUOR LIABILITY COVERAGE FORM

Index of Policy Provisions

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LIQUOR LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is an Insured.

Other words and phrases that appear in italics have special meaning. Refer to Section V - Definitions.

SECTION I - LIQUOR LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of *injury* to which this insurance applies if liability for such *injury* is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. We will have the right and duty to defend the insured against any *suit* seeking those damages. However, we will have no duty to defend the insured against any *suit* seeking damages for *injury* to which this insurance does not apply. We may at our discretion investigate any *injury* and settle any claim or *suit* that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to *injury* only if:

- (1) The *injury* occurs during the policy period in the *coverage territory*; and
- (2) Prior to the policy period, no insured listed under paragraph 1 of Section II - Who Is An Insured and no *employee* authorized by you to give or receive notice of an *injury* or claim, knew that the *injury* had occurred, in whole or in part. If such a listed insured or authorized *employee* knew, prior to the policy period, that the *injury* occurred, then any continuation, change or resumption of such *injury* during or after the policy period will be deemed to have been known prior to the policy period.

- c. *Injury* which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under paragraph 1 of Section II - Who Is An Insured or any *employee* authorized by you to give or receive notice of an *injury* or claim, includes any continuation, change or resumption of that *injury* after the end of the policy period.

- d. *Injury* will be deemed to have been known to have occurred at the earliest time when any insured listed under paragraph 1 of Section II - Who Is An Insured or any *employee* authorized by you to give or receive notice of an *injury* or claim:

- (1) Reports all, or any part, of the *injury* to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the *injury*; or
- (3) Becomes aware by any other means that *injury* has occurred or has begun to occur.

2. Exclusions

This insurance does not apply to:

- a. Expected Or Intended Injury

Injury expected or intended from the standpoint of the insured. This exclusion does not apply to *bodily injury* resulting from the use of reasonable force to protect persons or property.

- b. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

- c. Employer's Liability

Bodily Injury to:

- (1) An *employee* of the insured arising out of and in the course of:
 - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that *employee* as a consequence of paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the *injury*.

d. Liquor License Not In Effect

Injury arising out of any alcoholic beverage sold, served or furnished while any required license is not in effect.

e. Your Product

Injury arising out of *your product*. This exclusion does not apply to *injury* for which the insured or the insured's indemnitees may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

f. Other Insurance

Any *injury* with respect to which other insurance is afforded or would be afforded but for the exhaustion of the Limits of Insurance.

This exclusion does not apply if the other insurance responds to liability for *injury* imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

g. War

Bodily injury or *property damage*, however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim we investigate or settle, or any *suit* against an insured we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or *suit*, including actual loss of earnings up to \$250 a day because of time off from work.
4. All court costs taxed against the insured in the *suit*. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit of Insurance.
7. Expenses incurred by the insured for first aid administered to others at the time of an event to which this insurance applies.

These payments will not reduce the Limits of Insurance.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an in-

ured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your *executive officers* and directors are insureds, but only with

respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your *employees*, other than either your *executive officers*, (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these *employees* is an insured for:

(1) *Injury*:

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-*employee* while that co-*employee* is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-*employee* as a consequence of paragraph (a) above; or
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the *injury* described in paragraphs (a) or (b) above.

(2) *Property damage* to property:

- (a) Owned or occupied by; or
- (b) Rented or loaned;

to that *employee*, any of your other *employees*, by any of your partners or members (if you are a partnership or joint venture), or by any of your members (if you are a limited liability company).

- b. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- b. Coverage does not apply to *injury* that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or *suits* brought; or
 - c. Persons or organizations making claims or bringing *suits*.
- 2. The Aggregate Limit is the most we will pay for all *injury* as the result of the selling, serving or furnishing of alcoholic beverages.
- 3. Subject to the Aggregate Limit, the Each Common Cause Limit is the most we will pay for all *injury* sustained by one or more persons or

organizations as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - LIQUOR LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties in the Event of Injury, Claim or Suit

a. You must see to it that we are notified as soon as practicable of an *injury* which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the *injury* took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any *injury*.

b. If a claim is made or *suit* is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or *suit* and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or *suit* as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or *suit*;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the *suit*; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of *injury* to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a *suit* asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of

this Coverage Part or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b below.

b. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the First Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the First Named Insured.

c. The First Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon repre-

sentations you made to us; and

- c. We have issued this policy in reliance upon your representations.
7. Separation of Insureds
Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Part to the First Named Insured, this insurance applies:
 - a. As if each Named Insured were the only Named Insured; and
 - b. Separately to each insured against whom claim is made or *suit* is brought.
8. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring *suit* or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the First Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "*Bodily injury*" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
2. "*Coverage territory*" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the *injury* occurs in the course of travel or transportation between any places included in paragraph a above; or
 - c. All other parts of the world if the *injury* arises out of:
 - (1) Goods or products made or sold by you in the territory described in paragraph a above; or
 - (2) The activities of a person whose home is in the territory described in paragraph a above, but is away for a short time on your business; and

Provided the insured's responsibility to pay damages is determined in a *suit* on the merits, in the territory described in paragraph a above or in a settlement we agree to.

3. "*Employee*" includes a *leased worker*. *Employee* does not include a *temporary worker*.
4. "*Executive officer*" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
5. "*Injury*" means damages because of *bodily injury* and *property damage* including damages for care, loss of services or loss of support.
6. "*Leased worker*" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. *Leased worker* does not include a *temporary worker*.

7. "*Property damage*" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.

8. "*Suit*" means a civil proceeding in which damages because of *injury* to which this insurance applies are alleged. *Suit* includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

9. "*Temporary worker*" means a person who is furnished to you to substitute for a permanent *employee* on leave or to meet seasonal or short-term workload conditions.

10. "*Your product*:"

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your product*; and

- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

Intentionally left blank

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION
OF FEDERAL TERRORISM RISK INSURANCE ACT)

CG-2187R(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorse-

ment already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
 3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are shown in italics:
1. "*Terrorism*" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, reli-

gious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determin-

ing whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C5 or C6 are exceeded.

With respect to this Exclusion, Paragraphs C5 and C6 describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Part or Policy.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

CG-7322(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY
COVERAGE FORM
POLLUTION LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COV-
ERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

Any injury or damage arising, directly or indirectly, out of a *certified act of terrorism*.

B. The following definitions are added:

1. For the purposes of this endorsement, "*any injury or damage*" means any injury or damage covered under any Coverage Part or Form to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Part or Form.

2. "*Certified act of terrorism*" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

COMMON POLICY CONDITIONS

IL-0017F(11-98)

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

- a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. Thirty days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The First Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

1. We have the right to:

- a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1 and 2 of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2 of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. PREMIUMS

The First Named Insured shown in the Declarations:

- 1. Is responsible for the payment of all premiums; and
- 2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

NUCLEAR ENERGY LIABILITY EXCLUSION - BROAD FORM

IL-0021F(3-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART

FARM COVERAGE PART

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

1. The insurance does not apply:

a. Under any Liability Coverage to *bodily injury* or *property damage*:

(1) With respect to which an *insured* under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:

(a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or

(b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. Under any Medical Payments coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.

c. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:

(1) The *nuclear material*:

(a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an *insured*; or

(b) Has been discharged or dispersed therefrom.

(2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or

(3) The *bodily injury* or *property damage* arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.

2. As used in this endorsement:

a. "*Hazardous properties*" include radioactive, toxic or explosive properties.

b. "*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*.

c. "*Source material*," "*special nuclear material*" and "*byproduct material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.

e. "*Waste*" means any waste material:

(1) Containing *byproducts material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and

(2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.

f. "*Nuclear facility*" means:

(1) Any *nuclear reactor*;

(2) Any equipment or device designed or used for:

(a) Separating the isotopes of uranium or plutonium;

(b) Processing or utilizing *spent fuel*; or

- (c) Handling, processing or packaging waste.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;
and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

NEVADA CHANGES - DOMESTIC PARTNERSHIP

IL-0115R(1-10)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
ERRORS AND OMISSIONS COVERAGE PART
LIQUOR LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

- A. All references to spouse shall include an individual who is in a domestic partnership recognized under Nevada law.
- B. Under the Commercial Auto Coverage Part, the

term *family member* is replaced by the following:

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or domestic partnership recognized under Nevada law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or domestic partnership recognized under Nevada law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage - Broadened Coverage For Named Individual endorsement is attached.

NEVADA CHANGES - CANCELLATION AND NONRENEWAL

IL-0251F(9-07)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL CRIME COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 ERRORS AND OMISSIONS COVERAGE PART
 LIQUOR LIABILITY COVERAGE FORM
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. The following are added to the Cancellation Common Policy Condition:

7. a. Midterm Cancellation

If this policy has been in effect for 70 days or more, or if this policy is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Conviction of the insured of a crime arising out of acts increasing the hazard insured against;
- (3) Discovery of fraud or material misrepresentation in obtaining the policy or in presenting a claim thereunder;
- (4) Discovery of an act or omission or a violation of any condition of the policy which occurred after the first effective date of the current policy, and substantially and materially increases the hazard insured against;
- (5) A material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- (6) A determination by the commissioner

that continuation of our present volume of premiums would jeopardize our solvency or be hazardous to the interests of our policyholders, creditors or the public;

- (7) A determination by the commissioner that the continuation of the policy would violate, or place us in violation of, any provision of the code.

b. Anniversary Cancellation

If this policy is written for a term longer than one year, we may cancel for any reason at an anniversary, by mailing or delivering written notice of cancellation to the First Named Insured at the last mailing address known to us at least 60 days before the anniversary date.

B. The following is added as an additional Condition and supersedes any other provision to the contrary:

NONRENEWAL

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured shown in the Declarations a notice of intention not to renew at least 60 days before the agreed expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

2. We need not provide this notice if:

- a. You have accepted replacement coverage;
- b. You have requested or agreed to non-renewal; or
- c. This policy is expressly designated as nonrenewable.

C. Notices

1. Notice of cancellation or nonrenewal in accordance with A and B above, will be mailed, first class or certified, or delivered to the First Named Insured at the last mailing address known to us and will state the reason for cancellation or nonrenewal.
2. We will also provide a copy of the notice of cancellation, for both policies in effect less than 70 days and policies in effect 70 days or more, to the agent who wrote the policy.

ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL
EXPENSE COVERAGE FORM
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE
PART
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
ERRORS AND OMISSIONS COVERAGE PART
GARAGE COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY
COVERAGE FORM
POLLUTION LIABILITY COVERAGE FORM
PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY
COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
RESIDENTIAL CARE FACILITY LIABILITY COVERAGE
PART

The following exclusion is added:

Asbestos

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.



COMMERCIAL AUTO COVERAGE PART

Business Auto Declarations

Item One

First Named Insured and Address:

EW LIVE LLC
DBA EGG & I
5321 CAMERON ST
LAS VEGAS NV 89118

Agency Name and Number:

SAFEGUARD INSURANCE
8246-AZ

Policy Number: ZD8324

Policy Period: Effective Date: 09-01-19

Expiration Date: 09-01-20

In return for the payment of the premium and subject to all the terms of the policy, we agree to provide the insurance coverage as stated in the policy.

12:01 A.M. standard time at your mailing address shown in the declarations

NOTICE

Any contrasting type contained in this policy is in compliance with the Nevada statutory requirements that anti-stacking provisions be prominently displayed in the policy, binder, or endorsement.

Item Two: SCHEDULE OF COVERAGES AND COVERED AUTOS

Each of these coverages apply only to those *autos* shown as covered *autos* by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Auto Symbols	Limit of Insurance	Premium
Liability	1	\$1,000,000 each <i>accident</i>	\$11,904.00
Auto Medical Payments	7, 8	\$5,000 each person	\$652.00
Uninsured Motorists Bodily Injury	2, 8, 9	\$1,000,000 each person \$1,000,000 each <i>accident</i>	
Comprehensive	7, 8	Actual cash value, cost of repair or stated amount (if any), whichever is less, minus the deductible shown in Item(s) Three, Four for each covered <i>auto</i>	\$509.00
Collision	7, 8	Actual cash value, cost of repair or stated amount (if any), whichever is less, minus the deductible shown in Item(s) Three, Four for each covered <i>auto</i>	\$1,360.00

Estimated Schedule Premium

\$14,425.00

PREMIUM SUMMARY

Estimated Schedule Premium

\$14,425.00

Estimated Endorsement Premium

\$1,295.00

Estimated Advance Premium

\$15,720.00

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CA-0001F(10-14)	Business Auto Coverage Form	
CA-0136R(10-14)	Nevada Changes	
CA-2127F(10-13)	Nevada Uninsured Motorists Coverage	\$1,195.00
CA-2345F(11-16)	Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion	
CA-2384F(10-13)	Exclusion of Terrorism	
CA-3101F(10-13)	Nevada Split Uninsured Motorists Coverage Limits	
CA-7247(10-16)	ACUITY Enhancements - Business Auto	\$100.00
CA-9903F(3-06)	Auto Medical Payments Coverage	
IL-0017F(11-98)	Common Policy Conditions	
IL-0021F(3-14)	Nuclear Energy Liability Exclusion - Broad Form	
IL-0110F(9-07)	Nevada Changes - Concealment, Misrepresentation or Fraud	
IL-0115R(1-10)	Nevada Changes - Domestic Partnership	
IL-0251F(9-07)	Nevada Changes - Cancellation and Nonrenewal	
IL-7012(3-14)	Asbestos Exclusion	
Estimated Endorsement Premium		\$1,295.00

Item Three: SCHEDULE OF COVERAGES AND PREMIUM DETAIL

Unit 0001	2005 TOYOTA TUNDRA DOUBLE CAB LIMIT	VIN: 5TBET38175S491708	State: NV	Zip: 89118
Coverage	Limits/Deductible	Premium		
Liability	\$1,000,000 each <i>accident</i>	\$2,295.00		
Auto Medical Payments	\$5,000 each person	\$161.00		
Comprehensive	Actual cash value minus \$1,000 deductible	\$56.00		
Collision	Actual cash value minus \$1,000 deductible	\$106.00		
Total Premium		\$2,618.00		
Unit 0002	2012 FORD ECONOLINE E250 VAN	VIN: 1FTNE2EW3CDA54728	State: NV	Zip: 89118
Coverage	Limits/Deductible	Premium		
Liability	\$1,000,000 each <i>accident</i>	\$2,660.00		
Auto Medical Payments	\$5,000 each person	\$161.00		
Comprehensive	Actual cash value minus \$1,000 deductible	\$84.00		
Collision	Actual cash value minus \$1,000 deductible	\$223.00		
Total Premium		\$3,128.00		

Unit 0003 2015 MITSUBISHI FUSO TRUCK OF AMERI VIN: JL6CRG1A1FK000239 State: NV Zip: 89118		
Coverage	Limits/Deductible	Premium
Liability	\$1,000,000 each <i>accident</i>	\$3,186.00
Auto Medical Payments	\$5,000 each person	\$161.00
Comprehensive	Actual cash value minus \$1,000 deductible	\$170.00
Collision	Actual cash value minus \$1,000 deductible	\$442.00
Total Premium		\$3,959.00

Unit 0004 2016 FORD TRANSIT T-150 VIN: 1FTYE1YM7GKA04756 State: NV Zip: 89118		
Coverage	Limits/Deductible	Premium
Liability	\$1,000,000 each <i>accident</i>	\$3,008.00
Auto Medical Payments	\$5,000 each person	\$161.00
Comprehensive	Actual cash value minus \$1,000 deductible	\$127.00
Collision	Actual cash value minus \$1,000 deductible	\$451.00
Total Premium		\$3,747.00

Item Four: HIRED AUTO COVERAGE

Unit 0005 Non Trucking Hired Auto State: NV Zip: 89118 Estimated Cost of Hire ² : \$5,000		
Coverage	Limits/Deductible	Premium
Liability	\$1,000,000 each <i>accident</i>	\$612.00
Auto Medical Payments	\$5,000 each person	\$8.00
Comprehensive	Actual cash value minus \$500 deductible	\$72.00
Collision	Actual cash value minus \$500 deductible	\$138.00
Total Premium		\$830.00

Item Five: NONOWNED AUTO COVERAGE

Unit 0006 Rating Basis: Number of Employees Number: 4 State: NV Zip: 89118		
Coverage	Limits/Deductible	Premium
Liability	\$1,000,000 each <i>accident</i>	\$143.00
Total Premium		\$143.00

² Cost of hire means the total amount you incur for the hire of *autos* you do not own (not including *autos* you borrow or rent from your partners or *employees* or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

ADDITIONAL NAMED INSURED

WHO IS AN INSURED includes the following Additional Named Insureds:

ADDITIONAL NAMED INSURED

EGG WORKS HOLDING COMPANY LLC
EGG WORKS HOLDING COMPANY LLC A NEVADA SERIES LIMITED
LIABILITY SERIES E
E&I CATERING LLC
EGG WORKS HOLDING COMPANY LLC SERIES 'F'
EW LIVE LLC DBA EGG WORKS
EGG WORKS 2 LLC
EGG WORKS 3 LLC
EGG WORKS 4 LLC
EGG WORKS 5 LLC
EGG & I LLC
SERIES A EGG WORKS HOLDING COMPANY LLC
SERIES D EGG WORKS HOLDING COMPANY LLC

FIRST NAMED INSURED IS:

LTD LIAB COMPANY (LLC)

BUSINESS AUTO COVERAGE FORM

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BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declara-

tions. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in italics have special meaning. Refer to Section V - Definitions.

SECTION I - COVERED AUTOS

Item Two of the Declarations shows the *autos* that are covered *autos* for each of your coverages. The following numerical symbols describe the *autos* that may be covered *autos*. The symbols entered next to a coverage on the Declarations designate the only *autos* that are covered *autos*.

A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

SYMBOL DESCRIPTION

- 1 = ANY *AUTO*.
- 2 = OWNED *AUTOS* ONLY. Only those *autos* you own (and for Liability Coverage any *trailers* you do not own while attached to power units you own). This includes those *autos* you acquire ownership of after the policy begins.
- 3 = OWNED PRIVATE PASSENGER *AUTOS* ONLY. Only the private passenger *autos* you own. This includes those private passenger *autos* you acquire ownership of after the policy begins.
- 4 = OWNED *AUTOS* OTHER THAN PRIVATE PASSENGER *AUTOS* ONLY. Only those *autos* you own that are not of the private passenger type (and for Liability Coverage any *trailers* you do not own while attached to power units you own). This includes those *autos* not of the private passenger type you acquire ownership of after the policy begins.
- 5 = OWNED *AUTOS* SUBJECT TO NO-FAULT. Only those *autos* you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those *autos* you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
- 6 = OWNED *AUTOS* SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those *autos* you own that because of the law in the state where they are licensed or principally garaged, are required to have and can-

not reject Uninsured Motorists Coverage. This includes those *autos* you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

- 7 = SPECIFICALLY DESCRIBED *AUTOS*. Only those *autos* described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any *trailers* you do not own while attached to any power unit described in Item Three).
- 8 = HIRED *AUTOS* ONLY. Only those *autos* you lease, hire, rent or borrow. This does not include any *auto* you lease, hire, rent or borrow from any of your *employees* or partners or members of their households.
- 9 = NONOWNED *AUTOS* ONLY. Only those *autos* you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes *autos* owned by your *employees*, partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.
- 19 = MOBILE EQUIPMENT SUBJECT TO COMPULSORY OR FINANCIAL RESPONSIBILITY OR OTHER MOTOR VEHICLE INSURANCE LAW ONLY. Only those *autos* that are land vehicles and that would qualify under the definition of *mobile equipment* under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS

- 1. If symbols 1, 2, 3, 4, 5, 6 or 19 are entered next to a coverage in Item Two of the Declarations, then you have coverage for *autos* that you acquire of the type described for the remainder of the policy period.
- 2. But, if symbol 7 is entered next to a cov-

erage in Item Two of the Declarations, an *auto* you acquire will be a covered *auto* for that coverage only if:

- a. We already cover all *autos* that you own for that coverage or it replaces an *auto* you previously owned that had that coverage; and
- b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. CERTAIN TRAILERS, MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS

If Liability Coverage is provided by this coverage form, the following types of vehicles are also covered *autos* for Liability Coverage:

1. *Trailers* with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. *Mobile equipment* while being carried or towed by a covered *auto*.
3. Any *auto* you do not own while used with the permission of its owner as a temporary substitute for a covered *auto* you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. *Loss*; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. COVERAGE

We will pay all sums an *insured* legally must pay as damages because of *bodily injury* or *property damage* to which this insurance applies, caused by an *accident* and resulting from the ownership, maintenance or use of a covered *auto*.

We will also pay all sums an *insured* legally must pay as a *covered pollution cost or expense* to which this insurance applies, caused by an *accident* and resulting from the ownership, maintenance or use of covered *autos*. However, we will only pay for the *covered pollution cost or expense* if there is either *bodily injury* or *property damage* to which this insurance applies that is caused by the same *accident*.

We have the right and duty to defend any *insured* against a *suit* asking for such damages or a *covered pollution cost or expense*. However, we have no duty to defend any *insured* against a *suit* seeking damages for *bodily injury* or *property damage* or a *covered pollution cost or expense* to which this insurance does not apply. We may investigate and settle any claim or *suit* as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is an Insured

The following are *insureds*:

- a. You for any covered *auto*.
- b. Anyone else while using with your permission a covered *auto* you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered *auto*. This exception does not apply if the covered *auto* is a *trailer* connected to a covered *auto* you own.

(2) Your *employee* if the covered *auto* is owned by that *employee* or a member of his or her household.

(3) Someone using a covered *auto* while he or she is working in a business of selling, servicing, repairing, parking or storing *autos* unless that business is yours.

(4) Anyone other than your *employees*, partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their *employees*, while moving property to or from a covered *auto*.

(5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered *auto* owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an *insured* described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the *insured*:

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an *accident* we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any *suit* against the *insured* we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the *insured* at our request, in-

cluding actual loss of earnings up to \$250 a day because of time off from work.

- (5) All court costs taxed against the *insured* in any *suit* against the *insured* we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the *insured*.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any *suit* against the *insured* we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out of State Coverage Extensions

While a covered *auto* is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limit or limits specified by a compulsory or financial responsibility law in the jurisdiction where the covered *auto* is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out of state vehicles by the jurisdiction where the covered *auto* is being used.

We will not pay anyone more than once for the same elements of *loss* because of these extensions.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. Expected or Intended Injury

Bodily injury or *property damage* expected or intended from the standpoint of the *insured*.

2. Contractual

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an *insured contract* provided the *bodily injury* or *property damage* occurs subsequent to the execution of the contract or agreement; or
- b. That the *insured* would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the *insured* or the *insured's* insurer may be held liable under any workers' compensation law, disability benefits law or unemployment compensation law or any similar law.

4. Employee Indemnification and Employer's Liability

Bodily injury to:

- a. An *employee* of the *insured* arising out of and in the course of:
 - (1) Employment by the *insured*; or
 - (2) Performing duties related to the conduct of the *insured's* business; or
- b. The spouse, child, parent, brother or sister of that *employee* as a consequence of paragraph a above.

This exclusion applies:

- a. Whether the *insured* may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to *bodily injury* to domestic *employees* not entitled to workers' compensation benefits or to liability assumed by the *insured* under an *insured contract*. For the purposes of the coverage form, a domestic *employee* is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

Bodily injury to:

- a. Any fellow *employee* of the *insured* arising out of and in the course of the fellow *employee's* employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow *employee* as a consequence of paragraph a above.

6. Care, Custody or Control

Property damage to or covered *pollution cost* or *expense* involving property owned or transported by the *insured* or in the *insured's* care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling of Property

Bodily injury or *property damage* resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the *insured* for movement into or onto the covered *auto*; or

- b. After it is moved from the covered *auto* to the place where it is finally delivered by the *insured*.

8. Movement of Property by Mechanical Device

Bodily injury or property damage resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered *auto*.

9. Operations

Bodily injury or property damage arising out of the operation of:

- a. Any equipment listed in paragraphs 6b and 6c of the definition of *mobile equipment*; or
- b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

Bodily injury or property damage arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs a or b above.

Your work will be deemed completed at the earliest of the following times:

- a. When all of the work called for in your contract has been completed.
- b. When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

Bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered *auto*;
 - (2) Otherwise in the course of transit by or on behalf of the *insured*; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered *auto*.
- b. Before the *pollutants* or any property in which the *pollutants* are contained are moved from the place where they are accepted by the *insured* for movement into or onto the covered *auto*; or
- c. After the *pollutants* or any property in which the *pollutants* are contained are moved from the covered *auto* to the place where they are finally delivered, disposed of or abandoned by the *insured*.

Paragraph a above does not apply to fuels, lubricants, fluids, exhaust gases or other similar *pollutants* that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered *auto* or its parts, if:

- (1) The *pollutants* escape, seep, migrate, or are discharged, dispersed or released directly from an *auto* part designed by its manufacturer to hold, store, receive or dispose of such *pollutants*; and
- (2) The *bodily injury, property damage or covered pollution cost or expense* does not arise out of the operation of any equipment listed in paragraphs 6b and 6c of the definition of *mobile equipment*.

Paragraphs b and c above of this exclusion do not apply to *accidents* that occur away from premises owned by or rented to an *insured* with respect to *pollutants* not in or upon a covered *auto* if:

- (1) The *pollutants* or any property in which the *pollutants* are contained are upset, overturned or damaged as a result of the maintenance or use of a covered *auto*; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the *pollutants* is caused directly by such upset, overturn or damage.

12. War

Bodily injury or *property damage* arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

13. Racing

Covered *autos* while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered *auto* is being prepared for such a contest or activity.

C. LIMIT OF INSURANCE

Regardless of the number of covered *autos*, *insureds*, premiums paid, claims made or vehicles involved in the *accident*, the most we will pay for the total of all damages and *covered pollution cost or expense* combined, resulting from any one *accident* is the Limit of Insurance for Liability Coverage shown in the Declarations.

All *bodily injury*, *property damage* and *covered pollution cost or expense* resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one *accident*.

No one will be entitled to receive duplicate payments for the same elements of *loss* under this coverage form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. COVERAGE

1. We will pay for *loss* to a covered *auto* or its equipment under:

- a. Comprehensive Coverage

From any cause except:

- (1) The covered *auto's* collision with another object; or
- (2) The covered *auto's* overturn.

- b. Specified Causes of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered *auto*.

- c. Collision Coverage

Caused by:

- (1) The covered *auto's* collision with another object; or
- (2) The covered *auto's* overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered *auto* of the private passenger type is disabled. However, the labor must be performed at the

place of disablement.

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles

If you carry Comprehensive Coverage for the damaged covered *auto*, we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. *Loss* caused by hitting a bird or animal; and
- c. *Loss* caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered *auto's* collision or overturn considered a *loss* under Collision Coverage.

4. Coverage Extensions

- a. Transportation Expenses

We will also pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered *auto* of the private passenger type. We will pay only for those covered *autos* for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered *auto* is returned to use or we pay for its *loss*.

b. Loss of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an *insured* becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered *auto*;
- (2) Specified Causes of Loss only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered *auto*; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered *auto*.

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. EXCLUSIONS

1. We will not pay for *loss* caused by or resulting from any of the following. Such *loss* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the *loss*.

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War or Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for *loss* to any covered *auto* while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for *loss* to any covered *auto* while that covered *auto* is being prepared for such a contest or activity.
3. We will not pay for *loss* due and confined to:

- a. Wear and tear, freezing, mechanical or electrical breakdown.

- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such *loss* resulting from the total theft of a covered *auto*.

4. We will not pay for *loss* to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

- b. Any device designed or used to detect speed-measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed-measurement equipment.

- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

- d. Any accessories used with the electronic equipment described in paragraph c above.

5. Exclusions 4c and 4d do not apply to equipment designed to be operated solely by use of the power from the *auto's* electrical system that, at the time of *loss*, is:

- a. Permanently installed in or upon the covered *auto*;

- b. Removable from a housing unit which is permanently installed in or upon the covered *auto*;

- c. An integral part of the same unit housing any electronic equipment described in paragraphs a and b above; or

- d. Necessary for the normal operation of the covered *auto* or the monitoring of the covered *auto's* operating system.

6. We will not pay for *loss* to a covered *auto* due to *diminution of value*.

C. LIMIT OF INSURANCE

1. The most we will pay for *loss* in any one *accident* is the lesser of:

- a. The actual cash value of the damaged or stolen property as of the time of the *loss*; or

- b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

2. \$1,000 is the most we will pay for *loss* in any one *accident* to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of *loss*, is:

- a. Permanently installed in or upon the covered *auto* in a housing, opening or other location that is not normally used by the *auto* manufacturer for the installation of such equipment;
 - b. Removable from a permanently installed housing unit as described in paragraph 2a above or is an integral part of that equipment; or
 - c. An integral part of such equipment.
3. An adjustment for depreciation and physical condition will be made in determining actual

cash value in the event of a total *loss*.

4. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. DEDUCTIBLE

For each covered *auto*, our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to *loss* caused by fire or lightning.

SECTION IV - BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. LOSS CONDITIONS

1. Appraisal for Physical Damage Loss

If you and we disagree on the amount of *loss*, either may demand an appraisal of the *loss*. In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of *loss*. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties in the Event of Accident, Claim, Suit or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of *accident*, claim, *suit* or *loss*, you must give us or our authorized representative prompt notice of the *accident* or *loss*. Include:
 - (1) How, when and where the *accident* or *loss* occurred;
 - (2) The *insured's* name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved *insured* must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the *insured's* own cost.

- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or *suit*.

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the *suit*.

- (4) Authorize us to obtain medical records or other pertinent information.

- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is *loss* to a covered *auto* or its equipment you must also do the following:

- (1) Promptly notify the police if the covered *auto* or any of its equipment is stolen.

- (2) Take all reasonable steps to protect the covered *auto* from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.

- (3) Permit us to inspect the covered *auto* and records proving the *loss* before its repair or disposition.

- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this coverage form until:

- a. There has been full compliance with all the terms of this coverage form; and
- b. Under Liability coverage, we agree in writing that the *insured* has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the *insured's* liability.

4. Loss Payment - Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property at our expense. We will pay for any damage that results to the *auto* from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the *loss*, our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after *accident* or *loss* to impair them.

B. GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the *insured* or the *insured's* estate will not relieve us of any obligations under this coverage form.

2. Concealment, Misrepresentation or Fraud

This coverage form is void in any case of fraud by you at any time as it relates to this coverage form. It is also void if you or any other *insured*, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This coverage form;
- b. The covered *auto*;
- c. Your interest in the covered *auto*; or
- d. A claim under this coverage form.

3. Liberalization

If we revise this coverage form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit to Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this coverage form.

5. Other Insurance

- a. For any covered *auto* you own, this coverage form provides primary insur-

ance. For any covered *auto* you do not own, the insurance provided by this coverage form is excess over any other collectible insurance. However, while a covered *auto* which is a *trailer* is connected to another vehicle, the Liability Coverage this coverage form provides for the *trailer* is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered *auto* you own.

- b. For Hired Auto Physical Damage Coverage, any covered *auto* you lease, hire, rent or borrow is deemed to be a covered *auto* you own. However, any *auto* that is leased, hired, rented or borrowed with a driver is not a covered *auto*.

- c. Regardless of the provisions of paragraph a above, this coverage form's Liability Coverage is primary for any liability assumed under an *insured contract*.

- d. When this coverage form and any other coverage form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our coverage form bears to the total of the limits of all the coverage forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the First Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the First Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

- a. Under this coverage form, we cover *accidents* and *losses* occurring:
 - (1) During the policy period shown in the Declarations; and

- (2) Within the coverage territory.
- b. The coverage territory is:
- (1) The United States of America;
 - (2) The territories and possessions of the United States of America;
 - (3) Puerto Rico;
 - (4) Canada; and
 - (5) Anywhere in the world if:
 - (a) A covered *auto* of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
 - (b) The *insured's* responsibility to pay damages is determined in a *suit* on the merits, in the United States of America, the territories and possessions of the United States of America,

Puerto Rico, or Canada or in a settlement we agree to.

- c. We also cover *loss* to, or *accidents* involving, a covered *auto* while being transported between any of these places.

8. Two or More Coverage Forms or Policies Issued by Us

If this coverage form and any other coverage form or policy issued to you by us or any company affiliated with us applies to the same *accident*, the aggregate maximum Limit of Insurance under all the coverage forms or policies shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by us or an affiliated company specifically to apply as excess insurance over this coverage form.

SECTION V - DEFINITIONS

A. "*Accident*" includes continuous or repeated exposure to the same conditions resulting in *bodily injury* or *property damage*.

B. "*Auto*" means:

1. A land motor vehicle, *trailer* or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, *auto* does not include *mobile equipment*.

C. "*Bodily injury*" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

D. "*Covered pollution cost or expense*" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any *insured* or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*; or
2. Any claim or *suit* by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of *pollutants*.

Covered pollution cost or expense does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered *auto*;
- (2) Otherwise in the course of transit by or on behalf of the *insured*; or
- (3) Being stored, disposed of, treated or processed in or upon the covered *auto*;

b. Before the *pollutants* or any property in which the *pollutants* are contained are moved from the place where they are accepted by the *insured* for movement into or onto the covered *auto*; or

c. After the *pollutants* or any property in which the *pollutants* are contained are moved from the covered *auto* to the place where they finally are delivered, disposed of or abandoned by the *insured*.

Paragraph a above does not apply to fuels, lubricants, fluids, exhaust gases or other similar *pollutants* that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered *auto* or its parts, if:

- (1) The *pollutants* escape, seep, migrate, or are discharged, dispersed or released directly from an *auto* part designed by its manufacturer to hold, store, receive or dispose of such *pollutants*; and
- (2) The *bodily injury*, *property damage*

or *covered pollution cost or expense* does not arise out of the operation of any equipment listed in paragraphs 6b or 6c of the definition of *mobile equipment*.

Paragraphs b and c above do not apply to *accidents* that occur away from premises owned by or rented to an *insured* with respect to *pollutants* not in or upon a covered *auto* if:

- (1) The *pollutants* or any property in which the *pollutants* are contained are upset, overturned or damaged as a result of the maintenance or use of a covered *auto*; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the *pollutants* is caused directly by such upset, overturn or damage.

- E. "*Diminution in value*" means the actual or perceived loss in market value or resale value which results from a direct or accidental *loss*.
- F. "*Employee*" includes a *leased worker*. *Employee* does not include a *temporary worker*.
- G. "*Insured*" means any person or organization qualifying as an *insured* in the Who Is an Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each *insured* who is seeking coverage or against whom a claim or *suit* is brought.
- H. "*Insured contract*" means:
 1. A lease of premises;
 2. A sidetrack agreement;
 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for *bodily injury* or *property damage* to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
 6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your *employees*, of any *auto*. However, such contract or agreement shall not be considered an *insured contract* to the extent that it obligates you or any of your *employees* to pay for *property damage* to any *auto*

rented or leased by you or any of your *employees*.

An *insured contract* does not include that part of any contract or agreement:

1. That indemnifies a railroad for *bodily injury* or *property damage* arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
2. That pertains to the loan, lease or rental of an *auto* to you or any of your *employees*, if the *auto* is loaned, leased or rented with a driver; or
3. That holds a person or organization engaged in the business of transporting property by *auto* for hire harmless for your use of a covered *auto* over a route or territory that person or organization is authorized to serve by public authority.
- I. "*Leased worker*" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. *Leased worker* does not include a *temporary worker*.
- J. "*Loss*" means direct and accidental loss or damage.
- K. "*Mobile equipment*" means any of the following types of land vehicles, including any attached machinery or equipment:
 1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises you own or rent;
 3. Vehicles that travel on crawler-treads;
 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
 5. Vehicles not described in paragraph 1, 2, 3 or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers; or

6. Vehicles not described in paragraph 1, 2, 3 or 4 above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not *mobile equipment* but will be considered *autos*:

- a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning.
- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, *mobile equipment* does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered *autos*.

- L. "*Pollutants*" means any solid, liquid, gaseous or

thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- M. "*Property damage*" means damage to or loss of use of tangible property.

- N. "*Suit*" means a civil proceeding in which:

1. Damages because of *bodily injury* or *property damage*; or
 2. A *covered pollution cost or expense*;
- to which this insurance applies are alleged.

Suit includes:

1. An arbitration proceeding in which such damages or *covered pollution costs or expenses* are claimed and to which the *insured* must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages or *covered pollution costs or expenses* are claimed and to which the *insured* submits with our consent.

- O. "*Temporary worker*" means a person who is furnished to you to substitute for a permanent *employee* on leave or to meet seasonal or short-term workload conditions.

- P. "*Trailer*" includes semitrailer.

NEVADA CHANGES

CA-0136R(10-14)

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by the endorsement.

I. Changes In Conditions

- A. If the Auto Medical Payments Coverage endorsement is attached, the Transfer Of Rights Of Recovery Against Others To Us Condition does not apply to Auto Medical Payments Coverage.
- B. The Other Insurance Condition in the Business Auto Coverage Form and the Other Insurance - Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form are changed by adding the following:

1. When two coverage forms providing liability coverage apply to an *auto* and:
 - a. One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing, road testing, parking or storing *autos*; and
 - b. The other provides coverage to a person not engaged in that business; and
 - c. At the time of an *accident*, a person described in 1b is operating the *auto*; then

that person's liability insurance is primary and the Coverage Form issued to a business described in 1a is excess over any insurance available to that person.

2. When two coverage forms providing liability coverage apply to an *auto* and:
 - a. One provides coverage to a Named Insured engaged in the business of repairing or servicing *autos*; and
 - b. The other provides coverage to a person not engaged in that business; and
 - c. At the time of an *accident*, a person described in 2b is operating an *auto* owned by the business described in 2a as a temporary substitute auto while that person's *auto* is being repaired or serviced by the business described in 2a; then

that person's liability coverage is primary and the coverage form issued to the business described in 2a is excess

over any insurance available to that person.

II. Anti-stacking Provisions

The contrasting type contained in this endorsement is in compliance with Nevada statutory requirements that anti-stacking provisions be prominently displayed in the policy, binder or endorsement.

A. Changes in Section II - Liability Coverage

The first paragraph of the Limit Of Insurance provision is replaced by the following:

REGARDLESS OF THE NUMBER OF COVERED *AUTOS*, *INSUREDS*, PREMIUMS PAID, CLAIMS MADE OR VEHICLES INVOLVED IN THE *ACCIDENT*, THE MOST WE WILL PAY FOR THE TOTAL OF ALL DAMAGES AND COVERED *POLLUTION COST OR EXPENSE* COMBINED, RESULTING FROM ANY ONE *ACCIDENT* IS THE LIMIT OF INSURANCE FOR COVERED *AUTOS* LIABILITY COVERAGE SHOWN IN THE DECLARATIONS.

B. Changes In Auto Medical Payments Coverage

If the Auto Medical Payments Coverage endorsement is attached:

1. Exclusions b and c are replaced by the following:
 - b. *BODILY INJURY* SUSTAINED BY YOU OR ANY *FAMILY MEMBER* WHILE *OCCUPYING* OR STRUCK BY ANY VEHICLE (OTHER THAN A COVERED *AUTO*) OWNED BY YOU OR FURNISHED OR AVAILABLE FOR YOUR REGULAR USE.
 - c. *BODILY INJURY* SUSTAINED BY ANY *FAMILY MEMBER* WHILE *OCCUPYING* OR STRUCK BY ANY VEHICLE (OTHER THAN A COVERED *AUTO*) OWNED BY OR FURNISHED OR AVAILABLE FOR THE REGULAR USE OF ANY *FAMILY MEMBER*.

2. The first paragraph of the Limit Of Insurance provision is replaced by the following:

REGARDLESS OF THE NUMBER OF COVERED *AUTOS*, *INSUREDS*, PREMIUMS PAID, CLAIMS MADE OR VEHICLES INVOLVED IN THE *ACCIDENT*, THE MOST WE WILL PAY FOR *BODILY INJURY* FOR EACH *INSURED* INJURED IN ANY ONE *ACCIDENT* IS THE LIMIT OF AUTO MEDICAL PAYMENTS SHOWN IN THE DECLARATIONS.

C. Changes In Total Pollution Exclusion - Business Auto, Motor Carrier and Truckers Endorsement

If the Total Pollution Exclusion - Business Auto, Motor Carrier and Truckers endorsement is attached, paragraph 4, the Limit Of Insurance provision, is replaced by the following:

REGARDLESS OF THE NUMBER OF COVERED AUTOS, INSUREDS, PREMIUMS PAID, CLAIMS MADE OR VEHICLES INVOLVED IN THE ACCIDENT, THE MOST WE WILL PAY FOR ALL DAMAGES RESULTING FROM ANY ONE ACCIDENT IS THE LIMIT OF INSURANCE FOR LIABILITY COVERAGE SHOWN IN THE DECLARATIONS.

ALL BODILY INJURY AND PROPERTY DAMAGE RESULTING FROM CONTINUOUS OR REPEATED EXPOSURE TO SUBSTANTIALLY THE SAME CONDITIONS WILL BE CONSIDERED AS RESULTING FROM ONE ACCIDENT.

D. Changes In Total Pollution Exclusion - Business Auto, Motor Carrier and Truckers - Split Limits Of Insurance Endorsement

If the Total Pollution Exclusion - Business Auto, Motor Carrier and Truckers - Split Limits Of Insurance endorsement is attached, paragraph 5, the Limit Of Insurance provision, is replaced by the following:

1. REGARDLESS OF THE NUMBER OF COVERED AUTOS, INSUREDS, PREMIUMS PAID, CLAIMS MADE OR VEHICLES INVOLVED IN THE ACCIDENT, THE LIMITS OF INSURANCE ARE AS FOLLOWS:

- a. THE MOST WE WILL PAY FOR ALL DAMAGES RESULTING FROM BODILY INJURY TO ANY ONE PERSON CAUSED BY ANY ONE ACCIDENT, INCLUDING ALL DAMAGES CLAIMED BY ANY ONE PERSON OR ORGANIZATION FOR CARE, LOSS OF SERVICES OR DEATH RESULTING FROM THE BODILY INJURY, IS THE BODILY INJURY EACH PERSON LIMIT OF INSURANCE SHOWN IN THE DECLARATIONS.
- b. SUBJECT TO THE EACH PERSON LIMIT IN a ABOVE, THE MOST WE WILL PAY FOR THE TOTAL OF ALL DAMAGES RESULTING FROM BODILY INJURY CAUSED BY ANY ONE ACCIDENT IS THE BODILY INJURY EACH ACCIDENT LIMIT OF IN-

SURANCE SHOWN IN THE DECLARATIONS.

c. THE MOST WE WILL PAY FOR THE TOTAL OF ALL DAMAGES RESULTING FROM PROPERTY DAMAGE CAUSED BY ANY ONE ACCIDENT IS THE PROPERTY DAMAGE EACH ACCIDENT LIMIT OF INSURANCE SHOWN IN THE DECLARATIONS.

2. ALL BODILY INJURY AND PROPERTY DAMAGE RESULTING FROM CONTINUOUS OR REPEATED EXPOSURE TO SUBSTANTIALLY THE SAME CONDITIONS WILL BE CONSIDERED AS RESULTING FROM ONE ACCIDENT.

E. Changes In Total Pollution Exclusion - Business Auto, Motor Carrier and Truckers - Auto Operating System Exception Endorsement

If the Total Pollution Exclusion - Business Auto, Motor Carrier and Truckers - Auto Operating System Exception endorsement is attached, paragraph 4, the Limit Of Insurance provision, is replaced by the following:

REGARDLESS OF THE NUMBER OF COVERED AUTOS, INSUREDS, PREMIUMS PAID, CLAIMS MADE OR VEHICLES INVOLVED IN THE ACCIDENT, THE MOST WE WILL PAY FOR ALL DAMAGES RESULTING FROM ANY ONE ACCIDENT IS THE LIMIT OF INSURANCE FOR LIABILITY COVERAGE SHOWN IN THE DECLARATIONS.

ALL BODILY INJURY AND PROPERTY DAMAGE RESULTING FROM CONTINUOUS OR REPEATED EXPOSURE TO SUBSTANTIALLY THE SAME CONDITIONS WILL BE CONSIDERED AS RESULTING FROM ONE ACCIDENT.

F. Changes In Transportation of Seasonal or Migrant Agricultural Workers Endorsement

If the Transportation of Seasonal or Migrant Agricultural Workers endorsement is attached, paragraph 1 of the Limit Of Insurance provision is replaced by the following:

a. REGARDLESS OF THE NUMBER OF COVERED AUTOS, INSUREDS, PREMIUMS PAID, CLAIMS MADE OR VEHICLES INVOLVED IN THE ACCIDENT, THE MOST WE WILL PAY FOR ALL DAMAGES RESULTING FROM ANY ONE ACCIDENT IS THE LIMIT OF INSURANCE SHOWN IN THE SCHEDULE FOR EACH ACCIDENT.

- b. ALL *BODILY INJURY* AND *PROPERTY DAMAGE* RESULTING FROM CONTINUOUS OR REPEATED EXPOSURE TO SUBSTANTIALLY THE SAME CONDITIONS WILL BE CONSIDERED AS RESULTING FROM ONE *ACCIDENT*.

G. Changes In Conditions

The Two Or More Coverage Forms Or Policies Issued By Us Condition is replaced by the following:

TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

IF THIS COVERAGE FORM AND ANY OTHER COVERAGE FORM OR POLICY ISSUED TO YOU BY US OR ANY COMPANY

AFFILIATED WITH US APPLY TO THE SAME *ACCIDENT*, THE AGGREGATE MAXIMUM LIMIT OF INSURANCE UNDER ALL THE COVERAGE FORMS OR POLICIES SHALL NOT EXCEED THE HIGHEST APPLICABLE SINGLE VEHICLE LIMIT OF INSURANCE UNDER ANY ONE COVERAGE FORM OR POLICY REGARDLESS OF THE NUMBER OF COVERED *AUTOS*, *INSUREDS*, PREMIUMS PAID, CLAIMS MADE OR VEHICLES INVOLVED IN THE *ACCIDENT*. THIS CONDITION DOES NOT APPLY TO ANY COVERAGE FORM OR POLICY ISSUED BY US OR AN AFFILIATED COMPANY SPECIFICALLY TO APPLY AS EXCESS INSURANCE OVER THIS COVERAGE FORM.

NEVADA UNINSURED MOTORISTS COVERAGE

CA-2127F(10-13)

For a covered *auto* licensed or principally garaged in Nevada, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

ANTI-STACKING PROVISIONS

Any contrasting type contained in this endorsement is in compliance with the Nevada statutory requirements that anti-stacking provisions be prominently displayed in the policy, binder or endorsement.

A. Coverage

1. We will pay all sums the *insured* is legally entitled to recover as compensatory damages from the owner or driver of an *uninsured motor vehicle*. The damages must result from *bodily injury* sustained by the *insured* caused by an *accident*. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the *uninsured motor vehicle*.
2. With respect to a vehicle as defined in paragraph a or b of the definition of *uninsured motor vehicle*, we will pay damages only in excess of the amount available to an *insured* under any bodily injury liability bonds or policies applicable to the *uninsured motor vehicle*.
3. Any judgment for damages arising out of a *suit* brought without our written consent is not binding on us.

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are *insureds*:
 - a. The Named Insured and any *family members*.
 - b. Anyone else *occupying* a covered *auto* or a temporary substitute for a covered *auto*. The covered *auto* must be out of service because of its breakdown, repair, servicing, *loss* or destruction.
 - c. Anyone for damages he or she is entitled to recover because of *bodily injury* sustained by another *insured*.
2. A partnership, limited liability company, corporation or any other form of organization, then the following are *insureds*:
 - a. Anyone *occupying* a covered *auto* or a temporary substitute for a covered *auto*. The covered *auto* must be out of ser-

vice because of its breakdown, repair, servicing, *loss* or destruction.

- b. Anyone for damages he or she is entitled to recover because of *bodily injury* sustained by another *insured*.

C. Exclusions

This insurance does not apply to any of the following:

1. Any claim settled without our consent. However, this exclusion does not apply to a settlement made with the insurer of a vehicle described in paragraph b of the definition of *uninsured motor vehicle*.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. *BODILY INJURY SUSTAINED BY*:
 - a. AN INDIVIDUAL NAMED INSURED WHILE *OCCUPYING* OR WHEN STRUCK BY ANY VEHICLE OWNED BY THAT NAMED INSURED THAT IS NOT A COVERED *AUTO* FOR UNINSURED MOTORISTS COVERAGE UNDER THIS COVERAGE FORM;
 - b. ANY *FAMILY MEMBER* WHILE *OCCUPYING* OR WHEN STRUCK BY ANY VEHICLE OWNED BY THAT *FAMILY MEMBER* THAT IS NOT A COVERED *AUTO* FOR UNINSURED MOTORISTS COVERAGE UNDER THIS COVERAGE FORM; OR
 - c. ANY *FAMILY MEMBER* WHILE *OCCUPYING* OR WHEN STRUCK BY ANY VEHICLE OWNED BY THAT NAMED INSURED THAT IS INSURED FOR UNINSURED MOTORISTS COVERAGE ON A PRIMARY BASIS UNDER ANY OTHER COVERAGE FORM OR POLICY.

THIS EXCLUSION APPLIES ONLY TO THE EXTENT THAT THE LIMITS OF LIABILITY FOR THIS COVERAGE EXCEED THE LIMITS OF LIABILITY REQUIRED BY THE NEVADA MOTOR VEHICLE SAFETY RESPONSIBILITY ACT.

4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
5. Any damages to the extent that they are or were available to be paid to an *insured* under any bodily injury liability bonds or policies applicable to the *uninsured motor vehicle* as defined in paragraph a or b of the definition of *uninsured motor vehicle*.

6. Punitive or exemplary damages.
7. *Bodily injury* arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. REGARDLESS OF THE NUMBER OF COVERED AUTOS, INSURED, PREMIUMS PAID, CLAIMS MADE OR VEHICLES INVOLVED IN THE ACCIDENT, THE MOST WE WILL PAY FOR ALL DAMAGES RESULTING FROM ANY ONE ACCIDENT IS THE LIMIT OF INSURANCE FOR UNINSURED MOTORISTS COVERAGE SHOWN IN THE DECLARATIONS.
2. No one will be entitled to receive duplicate payments for the same elements of *loss* under this Coverage Form and any Liability Coverage form or Medical Payments Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of *loss* for which payment has been made by or for anyone who is legally responsible.

E. Changes In Conditions

The Conditions are changed for Uninsured Motorists Coverage as follows:

1. Other Insurance in the Business Auto Coverage Forms and Other Insurance - Primary And Excess Insurance Provisions in the Motor Carrier Coverage Form are replaced by the following:
If there is other applicable insurance available under one or more policies or provisions of coverage:
 - a. THE MAXIMUM RECOVERY UNDER ALL COVERAGE FORMS OR POLICIES COMBINED MAY EQUAL BUT NOT EXCEED THE HIGHEST APPLICABLE LIMIT FOR ANY ONE VEHICLE UNDER ANY COVERAGE FORMS OR POLICY PROVIDING COVERAGE ON EITHER A PRIMARY OR EXCESS BASIS.
 - b. Any insurance we provide with respect to a vehicle the Named Insured does not own shall be excess over any other

collectible uninsured motorists insurance providing coverage on a primary basis.

- c. If the coverage under this Coverage Form is provided:

- (1) On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.

- (2) On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

2. Duties In The Event Of Accident, Claim, Suit Or Loss in the Business Auto and Motor Carrier Coverage Forms are changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved; and
- b. Promptly send us copies of the legal papers if a *suit* is brought.

3. Transfer Of Rights Of Recovery Against Others To Us is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

- a. If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after *accident* or *loss* to impair them. However, with respect to an under-insured motor vehicle as defined in paragraph b of the definition of *uninsured motor vehicle*, this Condition does not apply.

- b. If we make any payment and the *insured* recovers from another party, the *insured* shall hold the proceeds in trust for us and pay us back the amount we have paid.

4. The following condition is added:

Arbitration

- a. If we and an *insured* disagree whether the *insured* is legally entitled to recover damages from the owner or driver of an *uninsured motor vehicle* or do not

agree as to the amount of damages, the *insured* may make a written demand for arbitration. However, disputes concerning coverage under this endorsement may not be arbitrated. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the *insured* lives. Local rules of law as to arbitration procedure and evidence will apply. A decision of the arbitrators will not be binding on the *insured*.

F. Additional Definitions

As used in this endorsement:

1. "*Family member*" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.
2. "*Occupying*" means in, upon, or getting in, on, out or off.
3. "*Uninsured motor vehicle*" means a land motor vehicle or *trailer*:
 - a. For which no liability bond or policy at the time of an *accident* provides at least the amounts required by the applicable

law where a covered *auto* is principally garaged;

- b. That is an underinsured motor vehicle. An underinsured motor vehicle is a land motor vehicle or *trailer* to which a liability bond or policy applies at the time of the *accident*, but the amount paid under that bond or policy to an *insured* is not enough to pay the full amount the *insured* is legally entitled to recover as damages;
- c. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
- d. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an *insured*, a covered *auto* or a vehicle an *insured* is *occupying*.

However, *uninsured motor vehicle* does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except:
 - (1) A self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law; or
 - (2) A vehicle(s) owned by a governmental unit or agency.
- b. Designed for use mainly off public roads while not on public roads.

PUBLIC OR LIVERY PASSENGER CONVEYANCE AND
ON-DEMAND DELIVERY SERVICES EXCLUSION

CA-2345F(11-16)

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Liability Coverage

The following exclusion is added:

Public Or Livery Passenger Conveyance
And On-demand Delivery Services

This insurance does not apply to any covered *auto* while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
2. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

B. Changes In Physical Damage Coverage

The following exclusion is added:

We will not pay for *loss* to any covered *autos* while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
2. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

C. Changes In Auto Medical Payments

If Auto Medical Payments Coverage is attached, then the following exclusion is added:

Public Or Livery Passenger Conveyance and
On-demand Delivery Services

This insurance does not apply to:

Bodily injury sustained by an *insured* *occupying* a covered *auto* while it is being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
2. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

D. Changes In Uninsured And/Or Underinsured Motorists Coverage

1. If Uninsured and/or Underinsured Motorists Coverage is attached, and:
 - a. Contains, in whole or in part, a public or livery exclusion, then the following exclusion in Paragraph 2 does not apply.
 - b. Does not contain a public or livery exclusion, then the following exclusion in Paragraph 2 is added.

2. Public Or Livery Passenger Conveyance
And On-demand Delivery Services

This insurance does not apply to any covered *auto* while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
- b. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

E. Changes In Personal Injury Protection Coverage

1. If Personal Injury Protection, no-fault or other similar coverage is attached, and:
 - a. Contains, in whole or in part, a public or livery exclusion, then the following exclusion in Paragraph 2 does not apply.
 - b. Does not contain a public or livery exclusion, then the following exclusion in Paragraph 2 is added.
2. Public Or Livery Passenger Conveyance
And On-demand Delivery Services

This insurance does not apply to any covered *auto* while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
- b. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

F. Additional Definitions

As used in this endorsement:

1. "*Delivery network platform*" means an on-

line-enabled application or digital network, used to connect customers:

- a. With drivers; or
- b. With local vendors using drivers; for the purpose of providing prearranged *delivery services* for compensation. A *delivery network platform* does not include a *transportation network platform*.
2. "*Delivery services*" includes courier services.
3. "*Occupying*" means in, upon, getting in, on, out or off.
4. "*Transportation network platform*" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

EXCLUSION OF TERRORISM

CA-2384F(10-13)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, is shown in italics:

1. "*Terrorism*" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and
 - b. When one or both of the following apply:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
2. "*Any injury, damage, loss or expense*" means any injury, damage, loss or expense covered under any Coverage Form or Policy to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal injury, personal and advertising injury, loss, loss of use, rental reimbursement after loss or covered pollution cost or expense*, as may be defined under this Coverage Form, Policy or any applicable endorsement.
- B. Except with respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage or Garagekeepers Coverage - Customers' Sound Receiving Equipment, the

following exclusion is added:

Exclusion Of Terrorism

We will not pay for *any injury, damage, loss or expense* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury, damage, loss or expense* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried

out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs B5 and B6 are exceeded.

With respect to this exclusion, Paragraphs B5 and B6 describe the thresholds used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- C. With respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage or Garagekeepers Coverage - Customers' Sound Receiving Equipment, the following exclusion is added:

Exclusion Of Terrorism

We will not pay for any *loss*, loss of use or rental reimbursement after *loss* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poi-

sonous biological or chemical materials; or

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold in Paragraph C5 is exceeded.

With respect to this exclusion, Paragraph C5 describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- D. In the event of any incident of *terrorism* that is not subject to the exclusion in Paragraph B or C, coverage does not apply to *any injury, damage, loss or expense* that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

NEVADA SPLIT UNINSURED MOTORISTS COVERAGE LIMITS

CA-3101F(10-13)

For a covered *auto* licensed or principally garaged in Nevada, this endorsement modifies insurance provided under the following:

NEVADA UNINSURED MOTORISTS COVERAGE

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

ANTI-STACKING PROVISIONS

The contrasting type contained in this endorsement is in compliance with the Nevada statutory requirements that anti-stacking provisions be prominently displayed in the policy, binder or endorsement.

Paragraph 1 of the Limit Of Insurance provision is replaced by the following:

1. REGARDLESS OF THE NUMBER OF COVERED *AUTOS*, *INSUREDS*, PREMIUMS PAID, CLAIMS MADE OR VEHICLES INVOLVED IN

THE *ACCIDENT*, THE LIMIT OF INSURANCE IS AS FOLLOWS:

- a. THE MOST WE WILL PAY FOR ALL DAMAGES RESULTING FROM *BODILY INJURY* TO ANY ONE PERSON CAUSED BY ANY ONE *ACCIDENT*, INCLUDING ALL DAMAGES CLAIMED BY ANY PERSON OR ORGANIZATION FOR CARE, LOSS OF SERVICES OR DEATH RESULTING FROM THE *BODILY INJURY*, IS THE LIMIT SHOWN IN THE DECLARATIONS FOR EACH PERSON.
- b. SUBJECT TO THE LIMIT FOR EACH PERSON, THE MOST WE WILL PAY FOR ALL DAMAGES RESULTING FROM *BODILY INJURY* CAUSED BY ANY ONE *ACCIDENT* IS THE LIMIT SHOWN IN THE DECLARATIONS FOR EACH *ACCIDENT*.

ACUITY ENHANCEMENTS - BUSINESS AUTO

CA-7247(10-16)

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

A. Temporary Substitute Vehicle Physical Damage

The following is added to item C Certain Trailers, Mobile Equipment and Temporary Substitute Autos under Section I - Covered Autos:

If Physical Damage Coverage is provided by this Coverage Form, any *auto* you do not own while used with permission of its owner as a temporary substitute for a covered *auto* you own that is out of service because of its breakdown, repair, servicing, *loss* or destruction is a covered *auto* for Physical Damage Coverage.

B. Who Is an Insured

The following are added to Who Is an Insured under Section II - Liability Coverage:

1. Newly Acquired Organizations

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. This coverage does not apply to *bodily injury* or *property damage* that occurred before you acquired or formed the organization;
- c. No person or organization is an *insured* with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

2. Employees as Insureds

Any *employee* of yours is an *insured* while using a covered *auto* you do not own, hire or borrow in your business or your personal affairs.

C. Increased Supplementary Payments

1. The limit shown in paragraph A2a(2) of Section II - Liability Coverage is increased to \$3,000.
2. The limit shown in paragraph A2a(4) of Section II - Liability Coverage is increased to \$300.

D. Fellow Employee Coverage

The Fellow Employee Exclusion contained in Section II - Liability Coverage does not apply.

E. Towing for Covered Autos after Covered Losses

The following is added to paragraph A4 Coverage Extensions of Section III - Physical Damage Coverage in the Business Auto Coverage Form and to paragraph - A4 Coverage Extension under Section IV - Physical Damage Coverage in the Motor Carrier Coverage Form and the Towing Coverage endorsement, if it applies to your policy:

If a covered *loss* to a covered *auto* renders the vehicle undriveable, we will pay for reasonable and necessary costs to tow the vehicle to the nearest service or salvage facility. This coverage only applies to a covered *auto* insured for Comprehensive or Collision coverage. Such payments will not reduce the limits of insurance described in C Limit of Insurance.

F. Transportation Expenses

The Transportation Expenses Coverage Extension is replaced by the following:

We will also pay up to \$75 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered *auto* of the private passenger or *light truck* type. We will pay only for those covered *autos* for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered *auto* is returned to use or we pay for its *loss*.

G. Increased Sub-limit for Audio, Visual and Data Electronic Equipment Coverage

The sub-limit shown in paragraph C2 of the Limit of Insurance Provision of Section III - Physical Damage Coverage in the Business Auto Coverage Form is increased to \$3,000.

H. The following are added to Coverage Extensions under Section III - Physical Damage Coverage in the Business Auto Coverage Form and to Section IV - Physical Damage Coverage in the Motor Carrier Coverage Form:

1. Accidental Airbag Discharge

We will pay to replace an airbag that deploys without the car being involved in an accident. This coverage applies only to a covered *auto* which you own.

2. Loan/Lease Gap Coverage

In the event of a total *loss* to a covered *auto* of the private passenger or *light truck*

type, we will pay any unpaid amount due on the lease or loan, less:

- a. The amount paid under the Physical Damage Coverage Section of the policy; and
- b. Any:
 - (1) Overdue lease/loan payments at the time of the *loss*;
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
 - (3) Security deposits not returned by the lessor;
 - (4) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
 - (5) Carry-over balances from previous loans or leases.

3. Hired Auto Physical Damage Coverage

If hired *autos* are covered *autos* for Liability Coverage, then the Physical Damage Coverages provided under this Coverage Form for any *auto* you own are extended to *autos* of the private passenger or *light truck* type which you lease, hire, rent or borrow for a period of 30 days or less, subject to the following limit.

The most we will pay under this extension is the lesser of the actual cash value, the cost of repair or \$50,000, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned *auto* of the private passenger or *light truck* type for that coverage. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered *auto* you own of the private passenger or *light truck* type.

4. Rental Reimbursement Coverage for Private Passenger Vehicles or Light Trucks

- a. This coverage applies only to a covered *auto* of the private passenger or *light truck* type.
- b. We will pay for rental reimbursement expenses incurred by you for the rental of an *auto* because of a covered *loss* to an *auto* to which this extension applies. Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered *auto*. No deductibles apply to this coverage.
- c. We will pay only for those expenses incurred during the policy period beginning 24 hours after the *loss* and ending, regardless of the policy's expiration,

with the lesser of the following number of days:

- (1) The number of days reasonably required to repair or replace the covered *auto*. If *loss* is caused by theft, this number of days is added to the number of days it takes to locate the covered *auto* and return it to you.
 - (2) 30 days.
- d. Our payment is limited to the lesser of the following amounts:
 - (1) Necessary and actual expenses incurred.
 - (2) \$75 per day to a maximum of \$1,500.
 - e. This coverage does not apply while there are spare or reserve *autos* available to you for your operations.
 - f. If *loss* results from the total theft of a covered *auto* to which this extension applies, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under the Physical Damage Coverage Extensions.
 - g. The Rental Reimbursement Coverage described above does not apply to a covered *auto* that is described or designated as a covered *auto* on Rental Reimbursement Coverage Form CA-9923F.

5. Fire Department Service Charge

When the fire department is called to save or protect a covered *auto*, its equipment, its contents, or occupants from a covered *loss*, we will pay up to \$1,000 for your liability for fire department service charges:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance.

No deductible applies to this additional coverage.

6. Fire Extinguisher Recharge

We will pay the actual cost of recharging or replacing, whichever is less, fire extinguishers kept in your covered *auto* that are intentionally discharged in an attempt to extinguish a fire.

7. Rental Reimbursement, Business Income and Extra Expense Coverage

Limits

The most we will pay for all *loss* for each covered *auto* involved in any one *accident* for Rental Reimbursement, Business Income and Extra Expense combined is \$10,000.

Coverage

a. Rental Reimbursement Coverage

- (1) We will pay for expenses incurred by you during the *period of restoration* for the rental of an *auto* made necessary because of a covered *loss* to a covered *auto* used in your business. The *loss* must be caused by a cause of loss covered under item A1 of Physical Damage Coverage in this Coverage Part.
- (2) This Rental Reimbursement Coverage does not apply to a covered *auto* of the private passenger or *light truck* type because coverage for these vehicles is provided in item 4 of this endorsement.

b. Business Income and Extra Expense Coverage

(1) Business Income Coverage

- (a) Actual Loss Sustained Coverage - We will pay the actual loss of *business income* sustained by you as the result of the necessary suspension of your business during the *period of restoration* due to a *loss* to a covered *auto* used in your business. The *loss* must be caused by a cause of loss covered under item A1 of Physical Damage Coverage in this Coverage Part.
- (b) Specified Amount per Day Coverage - At your option, we will pay up to \$250 per day for a maximum of seven days during the *period of restoration* for income loss. The *loss* must be caused by a cause of loss covered under item A1 of Physical Damage Coverage in this Coverage Part.

(2) Extra Expense Coverage

We will pay the necessary and reasonable *extra expenses* that you incur during the *period of restoration* that you would not have incurred had there been no *loss* to a covered *auto* used in your business. The *loss* must be caused by a cause of loss covered under item A1 of Physical Damage Coverage in this Coverage Part.

Conditions

- a. Any payment for Business Income made under Specified Amount per Day Coverage reduces the payment we

make under any other coverages listed in extension 7.

- b. No other deductible applies to these coverages.
- c. We will not pay under these coverages if you do not repair or replace the covered *auto*.
- d. You must resume all or part of your business as quickly as possible.
- e. If you have other *autos* you can use to reduce the amount of loss payable under these coverages, you are required to use them.
- f. We will not pay for loss or expenses caused by suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of your business, we will cover such loss that affects your *business income*.
- g. We will pay for expenses you incur to reduce the amount that would otherwise have been payable under this coverage. We will not pay more than the amount by which you actually reduce the *business income* loss or *extra expense* incurred.

8. Fuel in Vehicle Coverage

We will also pay, with respect to a covered *loss*, the actual loss sustained for the *loss* to the fuel used to operate your vehicle but only with respect to a covered *auto*. You must provide documentation supporting your claim for damages.

Deductible

A deductible applies to this coverage. Refer to paragraph N Deductible Applicable to Fuel in Vehicle, Miscellaneous Equipment Used With Covered Vehicle Coverages, and Electronic Logging Devices or Electronic On-Board Recorders Coverages.

9. Miscellaneous Equipment Used With Covered Vehicle Coverage

We will also pay, with respect to a covered *loss*, the actual cash value, repair cost or replacement cost, whichever is less, for *loss* to your *miscellaneous equipment* but only with respect to a covered *auto*.

Exclusions

We will not pay for *loss* caused by:

- a. Theft, unless there are visible signs or marks of forcible entry into the covered *auto* and the theft is reported to law enforcement authorities; or
- b. Mysterious disappearance.

Deductible

A deductible applies to this coverage. Refer to paragraph N Deductible Applicable to Fuel in Vehicle, Miscellaneous Equipment Used With Covered Vehicle Coverages, and Electronic Logging Devices or Electronic On-Board Recorders Coverages.

10. Electronic Logging Devices or Electronic On-Board Recorders

We will also pay, with respect to a covered *loss*, up to \$3,000 for the actual loss sustained to an electronic on-board recorder or electronic logging device permanently installed in the *auto* but only with respect to a covered *auto*.

Deductible

A deductible applies to this coverage. Refer to paragraph N Deductible Applicable to Fuel in Vehicle, Miscellaneous Equipment Used With Covered Vehicle Coverages, and Electronic Logging Devices or Electronic On-Board Recorders Coverages for further information.

I. Deductible Provision

Paragraph D, Deductible of Section III - Physical Damage Coverage in the Business Auto Coverage Form and paragraph D, Deductible of Section IV - Physical Damage Coverage in the Motor Carrier Coverage Form are replaced by the following:

1. For each covered *auto*, our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to *loss* caused by fire or lightning.
2. For combinations of tractor, truck, semi-trailer or trailers when attached together by coupling devices at the time of *loss*, one deductible will apply.
 - a. If more than one *auto* of the combination is damaged or stolen, the largest applicable deductible shown in the Declarations will apply.
 - b. If only one *auto* of the combination is damaged or stolen, the deductible shown in the Declarations for that *auto* will apply.
3. The deductibles will not apply to *loss* caused by a collision of a covered *auto* with any other auto insured by us.
4. If the insured chooses to have a damaged windshield or other glass repaired instead of replaced, no deductible will apply to the loss.

J. Knowledge of Claim or Suit

The following is added to the Duties in the Event of Accident, Claim, Suit or Loss Condition:

Knowledge of an *accident*, claim, *suit* or *loss* by an agent or *employee* of any insured shall not in itself constitute knowledge of the insured unless your partners, executive officers, directors, managers, members or a person who has been designated by them to receive reports of *accidents*, claims, *suits* or *loss* shall have received such notice from the agent or *employee*.

K. Waiver of Subrogation for Written Contracts

The following is added to the Transfer of Rights of Recovery Against Others to Us Condition:

We waive any right of recovery we may have against a person or organization because of payments we make for *bodily injury* or *property damage* arising out of your use of a covered *auto* which occurs while under a contract with that person or organization. The waiver applies only to a person or organization with whom you have a written contract or agreement requiring you to waive the right of recovery under this policy. The written contract or agreement must have been executed prior to the *accident* causing *bodily injury* or *property damage*.

L. Worldwide Coverage Territory for Hired Autos

The following is added to paragraph B7 of Section IV - Business Auto Conditions in the Business Auto Coverage Form and to paragraph B7 of Section V - Motor Carrier Conditions in the Motor Carrier Coverage Form:

With respect to *autos* hired for 30 days or less, the coverage territory is extended to include all parts of the world if the insured's responsibility to pay damages is determined in a suit in the United States of America (including its territories and possessions), Puerto Rico or Canada or in a settlement we agree to.

M. Mental Anguish Coverage

The Definition of *bodily injury* is amended to include mental anguish.

N. Deductible Applicable to Fuel in Vehicle, Miscellaneous Equipment Used With Covered Vehicle Coverages and Electronic Logging Devices or Electronic On-Board Recorders

1. If *loss* to property covered by these extensions is the result of a *loss* to the covered *auto* under this Coverage Form's Comprehensive or Collision Coverage, then for each covered *auto* our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any

Comprehensive Coverage deductible shown in the Declarations does not apply to *loss* to property covered by an extension caused by fire or lightning.

2. If *loss* to property covered by these extensions is the result of a *loss* to the covered *auto* under this Coverage Form's Specified Causes of Loss Coverage, then for each covered *auto* our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by a \$100 deductible.
3. In the event that there is more than one applicable deductible, only the highest deductible will apply. In no event will more than one deductible apply.

O. Coverage Extensions Definitions

1. "*Business income*" means the:
 - a. Net income (Net profit or loss before income taxes) that would have been earned or incurred if no *loss* would have occurred; and
 - b. Continuing normal operating expenses incurred, including payroll.
2. "*Extra expense*" means those expenses you incur to avoid or minimize the suspension of business and to continue your business operations.
3. "*Light truck*" means a truck with a gross vehicle weight of 10,000 pounds or less.

4. "*Miscellaneous equipment*" means hand trucks, dollies, pallets, pads, covers, binders, tarps, tie-downs, chains and other similar equipment used in the handling of property being transported.

5. "*Period of restoration*" means the period of time that:

a. Begins:

- (1) Twenty-four hours after the time of *loss* for Rental Reimbursement Coverage or Business Income Coverage; or
- (2) Immediately after the time of *loss* for Extra Expense Coverage; and

b. Ends at the earliest of:

- (1) The time required to resume your normal business operations; or
- (2) The time that is reasonably necessary to repair or replace the covered *auto*.

Period of restoration does not include any increased period required due to the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of pollutants.

The expiration date of this policy will not cut short the *period of restoration*.

AUTO MEDICAL PAYMENTS COVERAGE

CA-9903F(3-06)

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

1. COVERAGE

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an *insured* who sustains *bodily injury* caused by an *accident*. We will pay only those expenses incurred within three years from the date of the *accident*.

2. WHO IS AN INSURED

- a. You while *occupying* or, while a pedestrian, when struck by any *auto*.
- b. If you are an individual, any *family member* while *occupying* any *auto* or, while a pedestrian, when struck by any *auto*.
- c. Anyone else *occupying* a covered *auto* or a temporary substitute for a covered *auto*. The covered *auto* must be out of service because of its breakdown, repair, servicing, loss or destruction.

3. EXCLUSIONS

This insurance does not apply to any of the following:

- a. *Bodily injury* sustained by an *insured* while *occupying* a vehicle located for use as a premises.
- b. *Bodily injury* sustained by you or any *family member* while *occupying* or struck by any vehicle (other than a covered *auto*) owned by you or furnished or available for your regular use.
- c. *Bodily injury* sustained by any *family member* while *occupying* or struck by any vehicle (other than a covered *auto*) owned by or furnished or available for the regular use of any *family member*.
- d. *Bodily injury* to your *employee* arising out of and in the course of employment by you. However we will cover *bodily injury* to your domestic *employees* if not entitled to workers' compensation benefits. For the purposes of this endorsement, a domestic *employee* is a person engaged in household or domestic work performed principally in connection with a residence premises.
- e. *Bodily injury* to an *insured* while working in a business of selling, servicing, repairing or

parking *autos* unless that business is yours.

- f. *Bodily injury* arising directly or indirectly out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

- g. *Bodily injury* to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

- h. *Bodily injury* sustained by an *insured* while *occupying* any covered *auto* while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any *bodily injury* sustained by an *insured* while the *auto* is being prepared for such a contest or activity.

4. LIMIT OF INSURANCE

Regardless of the number of covered *autos*, *insureds*, premiums paid, claims made or vehicles involved in the *accident*, the most we will pay for *bodily injury* for each *insured* injured in any one *accident* is the Limit of Insurance for Auto Medical Payments Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of *loss* under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

5. CHANGES IN CONDITIONS

The Conditions are changed for Auto Medical Payments Coverage as follows:

- a. The Transfer of Rights of Recovery Against Others to Us Condition does not apply.
- b. The reference in Other Insurance in the Business Auto and Garage Coverage Forms and Other Insurance - Primary and Excess Insurance Provisions in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" applies only to other collectible auto medical payments insurance.

6. ADDITIONAL DEFINITIONS

As used in this endorsement:

- a. *"Family member"* means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
- b. *"Occupying"* means in, upon, getting in, on, out or off.

COMMON POLICY CONDITIONS

IL-0017F(11-98)

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

- a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. Thirty days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The First Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

1. We have the right to:

- a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1 and 2 of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2 of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. PREMIUMS

The First Named Insured shown in the Declarations:

- 1. Is responsible for the payment of all premiums; and
- 2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

NUCLEAR ENERGY LIABILITY EXCLUSION - BROAD FORM

IL-0021F(3-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART

FARM COVERAGE PART

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

1. The insurance does not apply:

a. Under any Liability Coverage to *bodily injury* or *property damage*:

(1) With respect to which an *insured* under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:

(a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or

(b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. Under any Medical Payments coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.

c. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:

(1) The *nuclear material*:

(a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an *insured*; or

(b) Has been discharged or dispersed therefrom.

(2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or

(3) The *bodily injury* or *property damage* arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.

2. As used in this endorsement:

a. "*Hazardous properties*" include radioactive, toxic or explosive properties.

b. "*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*.

c. "*Source material*," "*special nuclear material*" and "*byproduct material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.

e. "*Waste*" means any waste material:

(1) Containing *byproducts material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and

(2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.

f. "*Nuclear facility*" means:

(1) Any *nuclear reactor*;

(2) Any equipment or device designed or used for:

(a) Separating the isotopes of uranium or plutonium;

(b) Processing or utilizing *spent fuel*; or

- (c) Handling, processing or packaging waste.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;
and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

NEVADA CHANGES - CONCEALMENT, MISREPRESENTATION OR
FRAUD

IL-0110F(9-07)

This endorsement modifies insurance provided under
the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART

The Concealment, Misrepresentation or Fraud Con-
dition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR
FRAUD

We will not pay for any loss (*loss*) or damage in
any case of:

1. Concealment or misrepresentation of a ma-
terial fact; or
2. Fraud;
committed by an insured (*insured*) at any time
and relating to a claim under this policy.

NEVADA CHANGES - DOMESTIC PARTNERSHIP

IL-0115R(1-10)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
ERRORS AND OMISSIONS COVERAGE PART
LIQUOR LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

- A. All references to spouse shall include an individual who is in a domestic partnership recognized under Nevada law.
- B. Under the Commercial Auto Coverage Part, the

term *family member* is replaced by the following:

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or domestic partnership recognized under Nevada law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or domestic partnership recognized under Nevada law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage - Broadened Coverage For Named Individual endorsement is attached.

NEVADA CHANGES - CANCELLATION AND NONRENEWAL

IL-0251F(9-07)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL CRIME COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 ERRORS AND OMISSIONS COVERAGE PART
 LIQUOR LIABILITY COVERAGE FORM
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. The following are added to the Cancellation Common Policy Condition:

7. a. Midterm Cancellation

If this policy has been in effect for 70 days or more, or if this policy is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Conviction of the insured of a crime arising out of acts increasing the hazard insured against;
- (3) Discovery of fraud or material misrepresentation in obtaining the policy or in presenting a claim thereunder;
- (4) Discovery of an act or omission or a violation of any condition of the policy which occurred after the first effective date of the current policy, and substantially and materially increases the hazard insured against;
- (5) A material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- (6) A determination by the commissioner

that continuation of our present volume of premiums would jeopardize our solvency or be hazardous to the interests of our policyholders, creditors or the public;

- (7) A determination by the commissioner that the continuation of the policy would violate, or place us in violation of, any provision of the code.

b. Anniversary Cancellation

If this policy is written for a term longer than one year, we may cancel for any reason at an anniversary, by mailing or delivering written notice of cancellation to the First Named Insured at the last mailing address known to us at least 60 days before the anniversary date.

B. The following is added as an additional Condition and supersedes any other provision to the contrary:

NONRENEWAL

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured shown in the Declarations a notice of intention not to renew at least 60 days before the agreed expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

2. We need not provide this notice if:

- a. You have accepted replacement coverage;
- b. You have requested or agreed to non-renewal; or
- c. This policy is expressly designated as nonrenewable.

C. Notices

1. Notice of cancellation or nonrenewal in accordance with A and B above, will be mailed, first class or certified, or delivered to the First Named Insured at the last mailing address known to us and will state the reason for cancellation or nonrenewal.
2. We will also provide a copy of the notice of cancellation, for both policies in effect less than 70 days and policies in effect 70 days or more, to the agent who wrote the policy.

ASBESTOS EXCLUSION

IL-7012(3-14)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSE
COVERAGE FORM

COMMERCIAL AUTO COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

DIRECTORS' AND OFFICERS' LIABILITY COVERAGE
PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART

GARAGE COVERAGE FORM

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY
COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COV-
ERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The following exclusion is added:

Asbestos

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.



COMMERCIAL EXCESS LIABILITY COVERAGE PART

Declarations

First Named Insured and Address:

EW LIVE LLC
DBA EGG & I
5321 CAMERON ST
LAS VEGAS NV 89118

Agency Name and Number:

SAFEGUARD INSURANCE
8246-AZ

Policy Number: ZD8324

Policy Period: Effective Date: 09-01-19

Expiration Date: 09-01-20

In return for the payment of the premium and subject to all the terms of the policy, we agree to provide the insurance coverage as stated in the same.

12:01 A.M. standard time at your mailing address shown in the declarations

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CU-7008(11-05)	Asbestos Exclusion	
CU-7010(3-03)	Nuclear Energy Liability Exclusion Endorsement	
CU-7037(5-05)	Commercial Excess Liability Coverage Form	
CU-7054(3-03)	Fungi or Bacteria Exclusion	
CU-7057(1-04)	Electronic Data Liability Exclusion	
CU-7067(3-03)	War Liability Exclusion	
CU-7072(1-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Fed. Act)	
CU-7086(1-15)	Exclusion of Certified Acts of Terrorism	
CU-7110(9-14)	Nevada Changes - Cancellation and Nonrenewal	
CU-7111(1-15)	Cyber Liability, Data Breach and Identity Recovery Exclusion	
CU-7127(11-16)	Public or Livery Passenger Conveyance and On-Demand Deliver Services Exclusion	
Advance Endorsement Premium		\$1,295.00

PREMIUM SUMMARY

Advance Premium	\$10,311.00
Advance Endorsement Premium	
Total Advance	\$10,311.00

ADDITIONAL NAMED INSURED

WHO IS AN INSURED includes the following Additional Named Insureds:

EGG WORKS HOLDING COMPANY LLC
EGG WORKS HOLDING COMPANY LLC A NEVADA SERIES LIMITED
LIABILITY SERIES E

ADDITIONAL NAMED INSURED

E&I CATERING LLC
 EGG WORKS HOLDING COMPANY LLC SERIES 'F'
 EW LIVE LLC DBA EGG WORKS
 EGG WORKS 2 LLC
 EGG WORKS 3 LLC
 EGG WORKS 4 LLC
 EGG WORKS 5 LLC
 EGG & I LLC
 SERIES A EGG WORKS HOLDING COMPANY LLC
 SERIES D EGG WORKS HOLDING COMPANY LLC

LIMITS OF INSURANCE

General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$2,000,000
Each Occurrence	\$2,000,000

PREMIUM COMPUTATION

Not Subject to Audit	
Estimated Advance Premium	\$10,311.00

SCHEDULE OF UNDERLYING INSURANCE - LIQUOR LIABILITY

Policy Number: CG-ZD8324
 Name of Insurer: ACUITY, A Mutual Insurance Company
 Policy Period: 09-01-19 To 09-01-20

Occurrence Coverage

Limits or Amounts of Insurance

Aggregate Limit	\$2,000,000
Each Common Cause Limit	\$1,000,000

SCHEDULE OF UNDERLYING INSURANCE - AUTOMOBILE LIABILITY

Policy Number: CA-ZD8324
 Name of Insurer: ACUITY, A Mutual Insurance Company
 Policy Period: 09-01-19 To 09-01-20

Limits or Amounts of Insurance

Bodily Injury and Property Damage Combined Single Limit (Each Accident)	\$1,000,000
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SCHEDULE OF UNDERLYING INSURANCE - EMPLOYERS' LIABILITY

Policy Number: WLV504129100
 Name of Insurer: AMTRUST
 Policy Period: 09-01-19 To 09-01-20

Limits or Amounts of Insurance

Bodily Injury by Accident (Each Accident)	\$1,000,000
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Bodily Injury by Disease (Policy Limit)	\$1,000,000
Bodily Injury by Disease (Each Employee)	\$1,000,000

SCHEDULE OF UNDERLYING INSURANCE - BIS-PAK

Policy Number: CB-ZD8324

Name of Insurer: ACUITY, A Mutual Insurance Company

Policy Period: 09-01-19 To 09-01-20

Limits or Amounts of Insurance

Liability and Medical Expenses (Each Occurrence)	\$1,000,000
Products-Completed Operations Aggregate Limit	\$3,000,000
General Aggregate Limit (Other than Products-Completed Operations)	\$3,000,000

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

Index of Policy Provisions

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COMMERCIAL EXCESS LIABILITY COVERAGE FORM

This policy contains both a Products-Completed Operations Aggregate Limit and a General Aggregate Limit of Insurance. These are described in Section II - Limit of Insurance.

Other provisions in this policy restrict coverage. Read the entire policy and any *underlying insurance* carefully to determine rights, duties and what is covered and not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under any *underlying insurance*.

The words "we," "us" and "our" refer to the Company providing this insurance.

The words "this insurance" mean the liability insurance provided under this policy.

The word "insured" means any person or organization qualifying as such under any *underlying insurance*.

Other words and phrases that appear in italics have special meaning. Refer to Section IV - Definitions of this policy.

SECTION I - COVERAGES

1. Insuring Agreement

- a. We will pay those sums, in excess of the amount payable under the terms of any *underlying insurance*, that the insured becomes legally obligated to pay as damages because of *injury* or damage to which this insurance applies, provided that the *underlying insurance* also applies, or would apply but for the exhaustion of its applicable Limits of Insurance.

We will also pay those sums that the insured becomes legally obligated to pay as damages because of *injury* or damage to which the insurance provided under the Coverage Extension applies as set forth in paragraph 4 below.

- b. We have the right to participate in the investigation or settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which this insurance may apply. We have a duty to investigate or settle such claims or to defend the insured against such suits when the applicable Limit of Insurance of the *underlying insurance* has been used up by payment of judgments, settlements and any cost or expense subject to such limit.

We will have the right and duty to participate in the investigation and settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which the insurance provided under the Coverage Extension may apply.

This right or duty to defend is limited as set forth in paragraph 3 below.

However, we will have no duty to defend the insured against any suit seeking damages for *injury* or damage to which this insurance does not apply.

- c. The amount we will pay for damages is limited as described in Section II - Limit of Insurance.

- d. This insurance is subject to the same terms, conditions, agreements, exclusions and definitions as the *underlying insurance*, except:

- (1) We have no obligation under this insurance with respect to any claim or suit that is settled without our consent; and
- (2) With respect to any provisions to the contrary contained in this insurance.

2. Exclusions

The exclusions that apply to the *underlying insurance* apply to this insurance. Also, this insurance does not apply to damages because of:

- a. *Injury* or damage to premises rented to you or temporarily occupied by you with permission of the owner.
- b. Any duty to pay expenses under any medical payments coverage.
- c. Any duty to reimburse an insurer as provided by the terms of the Endorsement For Motor Carrier Policies of Insurance For Public Liability Under Sections 29 and 30 of the Motor Carrier Act of 1980 or under the terms of any similar endorsement required by Federal or state statute.
- d. Any duty payable only because of the attachment of the Endorsement For Motor Carrier Policies of Insurance For Public Liability or any similar endorsement required by Federal or state statute.
- e. Any duty imposed by law under any automobile no-fault, uninsured motorist, underinsured motorist, workers' compensation, disability benefits or unemployment compensation law or any similar law.
- f. Any duty imposed by law under the following:
 - (1) Section 130, Civil Liability, of Title I (Truth in Lending Act) of the Consumer Credit Protection Act (Public Law

90-321; 82 Stat. 146 et. seq.);

- (2) Title IV (Odometer Requirements) of the Motor Vehicle Information and Cost Savings Act (Public Law 92-513; 86 Stat. 961); or
 - (3) Employee's Retirement Income Security Act (E.R.I.S.A.) of 1974 as now or hereafter amended.
- g. *Injury* or damage to personal property in the care, custody or control of the insured.
- This exclusion does not apply to liability assumed under a sidetrack agreement.
- h. *Injury* or damage sustained by an employee, former employee, prospective employee or their beneficiaries or legal representatives and caused by any negligent act, error or omission of the insured, or any other person for whose acts the insured is legally liable, in the administration of any employee benefit program. Administration includes giving counsel to employees, interpreting, handling of employee records, and effecting enrollment, termination or cancellation of employees.
- i. Any obligation to pay any claim or claims made against you or any of your officers, directors or trustees, individually or collectively, by reason of a wrongful act in their respective capacities as officers, directors or trustees.
- As used in this exclusion, "wrongful act" means any actual or alleged error, misstatement or misleading statement, act or omission, or neglect or breach of duty made or committed by your directors, officers or trustees.
- j. Any obligation arising out of an act, error or omission of an insured:

- (1) While performing the duties of an insurance agent in your garage operations; or
- (2) In your garage operations as a result of title paper preparation.

As used in this exclusion:

- (1) "Insurance agent" means a person or organization who is duly licensed as an insurance agent by the regulatory authority of the state in which the insured's principal place of business is located.
- (2) "Garage operations" means the ownership, maintenance or use of locations for garage business and that portion of the roads or other accesses that adjoin these locations. Garage operations includes the ownership, maintenance or use of the autos indicated in Section I of the Garage Coverage Form as cov-

ered autos. Garage operations also includes all operations necessary or incidental to a garage business.

- (3) "Title paper preparation" means the preparation of official title papers for registering an auto sold by you. This includes the designation of a lienholder who holds a financial interest in the auto.
- (4) "Auto" means a land motor vehicle, trailer or semitrailer.

- k. Any obligation imposed due to the application of any statute permitting a customer to return an auto sold by an insured, if the auto fails to perform satisfactorily.

As used in this exclusion, "auto" means a land motor vehicle, trailer or semitrailer.

- l. *Injury* or damage your customer becomes legally obligated to pay which arise out of the use of your covered auto. This exclusion applies only if your business is shown in the Declarations of the *underlying insurance* as an auto dealership.

However, if your customer becomes legally obligated to pay for *injury* or damage which arise out of their use of your covered auto and if there is:

- (1) No other valid and collectible insurance (whether primary, excess or contingent) available to your customer, we will pay up to the compulsory or financial responsibility law limits where the covered auto is principally garaged.
- (2) Other valid and collectible insurance (whether primary, excess or contingent) available to the customer but it is less than the compulsory or financial responsibility law limits where the covered auto is principally garaged, we will pay only for the amount by which the compulsory or financial responsibility law limits exceed the limits of the other insurance.

3. Investigation or Settlement of Claims or Defense of Insured Against Suits

- a. When we have the duty to defend, we will pay for all *defense expense* once our duty to defend begins. We may investigate any claim or suit.

If we exercise our right to defend when there is no duty, we will pay only that *defense expense* we incur.

If we provide a defense, we may investigate any claim or suit at our discretion. We may settle such claim or suit within the Limit of Insurance available at the time of the settlement.

- b. Our right or duty to defend ends when we

- have used up the Limits of Insurance available in the payment of any judgments or settlements as provided under Section II - Limit of Insurance. This applies both to claims and suits pending at the time and those filed thereafter.
- c. When we control the investigation or settlement of a claim or the defense of the insured against a suit, we will pay for the *defense expense*. If by mutual agreement or court order the insured assumes control before the applicable Limit of Insurance available is used up, we will reimburse the insured for reasonable *defense expense*.
 - d. As soon as the Limit of Insurance available is used up, you will then arrange to assume control of the investigation or settlement of all such claims or the defense of you or any other insured against such suits when our right or duty to investigate, settle or defend them ends.
 - e. We will assist the insured in the transfer of control of the investigation or settlement of claims or the defense of the insured against suits under c or d above. Until such transfer is completed, we will take on behalf of any insured those steps that we think proper:
 - (1) To avoid a default in any claim or suit; or
 - (2) To the continued investigation or settle-

ment of a claim or defense of the insured against a suit.

You agree that if we take such steps:

- (1) We do not waive or give up any of our rights under this insurance; and
 - (2) You will reimburse us for any *defense expense* that arises out of such steps if the applicable Limit of Insurance available has been used up.
- f. Any payment for *defense expense* will not reduce the Limits of Insurance.
4. Coverage Extension
- a. The terms of this policy are extended as follows:

If *underlying insurance* provides coverage for the use of watercraft you do not own, in addition to watercraft ashore on premises you own or rent, the coverage provided by this policy is extended to cover any watercraft you do not own that is:

 - (1) Less than 75 feet long; and
 - (2) Not being used to carry persons or property for a charge;

even if these nonowned watercraft are not insured in the *underlying insurance*.
 - b. We will only pay for damages up to the limits of insurance.

SECTION II - LIMIT OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below define the most we will pay under the terms of this insurance regardless of the number of:
 - a. Insureds;
 - b. Claims made or suits brought;
 - c. Persons or organizations making claims or bringing suits.
- 2. The General Aggregate Limit is the most we will pay for all damages under Section I - Coverages, other than damages arising out of:
 - a. The *products-completed operations hazard*; or
 - b. The ownership, operation, maintenance, use, loading or unloading, or entrustment to others, of an auto.

The General Aggregate Limit applies separately to:

 - a. Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad; and
 - b. Each of your projects away from a location owned by or rented to you.

Each payment we make for such damages reduces by the amount of the payment, the General Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.
- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Section I - Coverages because of damages arising out of the *products-completed operations hazard*. Each payment we make for such damages reduces, by the amount of the payment, the Products-Completed Operations Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.
- 4. Subject to 2 and 3 above, or with respect to *injury* or damage arising out of the ownership, operation, maintenance, use, loading or unloading, or entrustment to others of an auto, the Each Occurrence Limit is the most we will pay for the sum of damages under Section I - Coverages because of all *injury* and damage arising out of any one *occurrence*.
- 5. The limits of this policy apply separately to

each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an addi-

tional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

SECTION III - CONDITIONS

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with the Conditions contained in this policy and those contained in any *underlying insurance*.

If any of the following conditions are contrary to Conditions contained in the *underlying insurance*, the provisions contained in this policy apply.

1. Appeals

In the event the *underlying insurer* elects not to appeal a judgment in excess of the limits of the *underlying insurance*, we may elect to make such appeal. If we so elect, we shall be liable, in addition to the applicable Limit of Insurance for all *defense expenses* we incur.

2. Bankruptcy of Underlying Insurer

In the event of bankruptcy or insolvency of any *underlying insurer*, this policy shall not replace such *underlying insurance*. This policy applies as if the *underlying insurance* was valid and collectible.

3. Duties in the Event of Occurrence, Claim or Suit

a. You must see to it that we are notified as soon as practicable of an *occurrence* or offense which may result in a claim. To the extent possible notice should include:

- (1) How, when and where the *occurrence* or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any *injury* or damage arising out of the *occurrence* or offense.

b. If a claim or suit is received by any insured you must:

- (1) Immediately record the specifics of the claim or suit and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a suit;
- (2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or the defense of the insured against the suit;

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of *injury* or damage to which this insurance may also apply; and

(5) Notify us immediately of any judgment or settlement of any claim or suit brought against any insured.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

4. Maintenance of Underlying Insurance

a. You agree to maintain the *underlying insurance* in full force and effect during the term of this policy. You agree to inform us within 10 days of any replacement of that *underlying insurance* by the same or another company. If there is any change in the replacement *underlying policy* in hazard, policy limits or coverage, including any terms, conditions and endorsements, we will only be liable under this insurance to the same extent as if there had been no change in, or replacement of, *underlying insurance*.

b. In the event that any *underlying insurance* is cancelled or not renewed and not replaced, you must notify us within 10 days. We will not be liable under this insurance for more than we would have been liable if that *underlying insurance* had not terminated if you do not request cancellation of this policy effective the same date that the *underlying insurance* was cancelled.

c. Reduction or exhaustion of the *aggregate limit* of any *underlying insurance* by payments for judgments or settlements will not be a failure to maintain *underlying insurance* in full force and effect.

d. No statement contained in this Condition limits our right to cancel or not renew this policy.

5. Other Insurance

This insurance is excess over any other valid and collectible insurance whether primary, excess, contingent or any other basis, except oth-

er insurance written specifically to be excess over this insurance.

6. Policy Period

This insurance will respond to *injury* or damage

that occurs, or arises from an offense committed, during the policy period of this insurance shown in the Declarations.

SECTION IV - DEFINITIONS

1. "*Aggregate limit*" means the maximum amount stated in the policy for which the insurer will be liable, regardless of the number of covered claims.
2. "*Defense expense*" means payments allocated to the investigation or settlement of a specific claim or the defense of the insured against a specific suit, including:
 - a. Attorney fees and all other litigation expenses.
 - b. The cost of bonds to appeal a judgment or award in our defense of the insured against any suit.
 - c. Up to \$250 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which bodily injury liability coverage provided by *underlying insurance* applies.
 - d. The cost of bonds to release attachments. This is only for bond amounts within the Limit of Insurance available.
 - e. Reasonable expenses incurred by the insured at our request to assist us in the investigation or settlement of the claim or the defense of the insured against the suit. This includes actual loss of earnings up to \$100 a day because of time off from work.
 - f. Cost taxed against the insured in the suit.
 - g. Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of Section II - Limits of Insurance.

Defense expense does not include:

 - a. Salaries and expenses of our employees or the insured's employees, other than:
 - (1) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific claim or suit; and
 - (2) The expenses described in e above.
 - b. Fees and expenses of independent adjusters we hire.
3. "*Injury*" means bodily injury, property damage, personal injury or advertising injury as defined in the *underlying insurance*.
4. "*Occurrence*" means:
 - a. With respect to bodily injury to persons other than your employees and property damage, an accident, including continuous or repeated exposure to substantially the same general harmful conditions;
 - b. With respect to bodily injury to your employees arising out of and in the course of their employment by you, the accident or disease which causes the bodily injury; and
 - c. With respect to offenses committed by the insured resulting in personal injury or advertising injury, all such injury sustained by any one person or organization.
5. "*Occurrence limit*" means any specific limit, other than an *aggregate limit*, applicable to any *underlying insurance*, regardless of whether such limit is subject to an *aggregate limit* in the *underlying policy*.
6. "*Products-completed operations hazard*":
 - a. Includes all *injury* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
 - (1) Personal injury or advertising injury as defined in the *underlying insurance*;
 - (2) Products that are still in your physical possession; or
 - (3) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed;
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include *injury* arising out of:
 - (1) The transportation of property, unless the *injury* or damage arises out of a condition in or on a vehicle not owned

or operated by you, and that condition was created by the loading or unloading of that vehicle by any insured;

- (2) The existence of tools, uninstalled equipment, or abandoned or unused materials; or
- (3) Products or operations for which the classification in the General Liability *underlying policy* or in our General Liability manual or rules includes products or completed operations.

7. "*Underlying insurance*" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance in the Declarations, for the limits and periods indicated. It includes any policies issued to replace those policies during the term of this insurance, provided that you have notified us within 10 days of the replacement, and the replacement policies provide:

- a. At least the same policy limits;
- b. The same hazards insured against, except as modified by general program revisions; and
- c. The same coverage, including all terms, conditions and endorsements.

8. "*Underlying insurer*" means any insurer who issues a policy of *underlying insurance*.

9. "*Underlying policy*" means a policy providing *underlying insurance*.

10. "*Your product*" means:

- a. Any goods or products other than real property, manufactured, sold, handled, distrib-

uted or disposed of by:

- (1) You;
- (2) Others trading under your name; or
- (3) A person or organization whose business or assets you have acquired; and

b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your product*; and
- b. The providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

11. "*Your work*" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your work*; and
- b. The providing of or failure to provide warnings or instructions.

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ASBESTOS EXCLUSION

CU-7008(11-05)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

Asbestos

1. This insurance does not apply to *injury*, including but not limited to, physical or mental injury, mental anguish or shock, sickness, disease, occupational disease, disability or death, or damage to property arising out of activities re-

lated to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

2. The following definition applies:

"Injury" means bodily injury or property damage as defined in the *underlying insurance*.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

CU-7010(3-03)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. This insurance does not apply to:

a. Any claim or accident:

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the *hazardous properties of nuclear material* and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.
- b. Any claim or accident resulting from the *hazardous properties of nuclear material*, if:
- (1) The *nuclear material*:
 - (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The claim or accident arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.

2. As used in this endorsement:

- a. "*Hazardous properties*" include radioactive, toxic or explosive properties.
- b. "*Nuclear material*" means *source material*, *special nuclear material* or *by-product material*.
- c. "*Source material*," "*special nuclear material*" and "*by-product material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
- e. "*Waste*" means any waste material:
 - (1) Containing *by-products material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
 - (2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
- f. "*Nuclear facility*" means:
 - (1) Any *nuclear reactor*;
 - (2) Any equipment or device designed or used for:
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing *spent fuel*; or
 - (c) Handling, processing or packaging *waste*;
 - (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

- g. *"Nuclear reactor"* means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. *"Property damage"* includes all forms of radioactive contamination of property.

FUNGI OR BACTERIA EXCLUSION

CU-7054(3-03)

The endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. The following exclusion is added to Paragraph 2, Exclusions of Section I - Coverages:
 - a. *Injury* or damage which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
 - b. Any loss, cost or expenses arising out of the

abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any *fungi* or bacteria that are, are on, or are contained in, a good or product intended for consumption.

2. The following definition is added to the Definitions Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

ELECTRONIC DATA LIABILITY EXCLUSION

CU-7057(1-04)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. The following exclusion is added to item 2 Exclusions under Section I - Coverages:

This insurance does not apply to *property damage* because of loss of *electronic data*.

2. The following definition is added to Section IV - Definitions:

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

3. For the purposes of the exclusion listed in item 1 above, the following definition is added:

"Property Damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it;
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the *occurrence* that caused it; or
- c. Loss of *electronic data*. Loss of *electronic data* means loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate such data, resulting from physical injury to tangible property. All such loss of *electronic data* shall be deemed to occur at the time of the *occurrence* that caused it.

For the purposes of this exclusion, *electronic data* is not tangible property.

WAR LIABILITY EXCLUSION

CU-7067(3-03)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

This insurance does not apply to:

Injury or damage, however caused, arising, directly or indirectly, out of:

1. War, including undeclared or civil war; or

2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION
OF FEDERAL TERRORISM RISK INSURANCE ACT)

CU-7072(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date

when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are shown in italics:
 1. "*Terrorism*" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
 2. "*Any injury or damage*" means any injury or damage covered under any Coverage Form or underlying insurance to which this en-

dorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Form or underlying insurance.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons

and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C5 or C6 are exceeded.

With respect to this Exclusion, Paragraphs C5 and C6 describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

CU-7086(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

Any injury or damage arising, directly or indirectly, out of a *certified act of terrorism*.

B. The following definitions are added:

1. For the purposes of this endorsement, "*any injury or damage*" means any injury or damage covered under any Coverage Part, Coverage Form, or underlying insurance to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Part, Coverage Form, or underlying insurance.
2. "*Certified act of terrorism*" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the

federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

NEVADA CHANGES - CANCELLATION AND NONRENEWAL

CU-7110(9-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following are added to Section III - Conditions:

Cancellation

- a. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.
- g. If this policy has been in effect for 70 days or more, or if this policy is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Conviction of the insured of a crime arising out of acts increasing the hazard insured against;
 - (3) Discovery of fraud or material misrepresentation in obtaining the policy or in presenting a claim thereunder;
 - (4) Discovery of an act or omission or a violation of any condition of the policy which occurred after the first effective date of the current policy, and substantially and materi-

ally increases the hazard insured against;

- (5) A material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- (6) A determination by the commissioner that continuation of our present volume of premiums would jeopardize our solvency or be hazardous to the interests of our policyholders, creditors or the public;
- (7) A determination by the commissioner that the continuation of the policy would violate, or place us in violation of, any provision of the code.
- h. If this policy is written for a term longer than one year, we may cancel for any reason at an anniversary, by mailing or delivering written notice of cancellation to the First Named Insured at the last mailing address known to us at least 60 days before the anniversary date.

Nonrenewal

- a. If we elect not to renew this policy, we will mail or deliver to the First Named Insured shown in the Declarations a notice of intention not to renew at least 60 days before the agreed expiration date.
If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. We need not provide this notice if:
 - (1) You have accepted replacement coverage;
 - (2) You have requested or agreed to non-renewal; or
 - (3) This policy is expressly designated as non-renewable.

Notices

- a. Notice of cancellation or nonrenewal will be mailed, first-class or certified, or delivered to the First Named Insured at the last mailing address known to us and will state the reason for cancellation or nonrenewal.
- b. We will also provide a copy of the notice of cancellation, for both policies in effect less than 70 days and policies in effect 70 days or more, to the agent who wrote the policy.

CYBER LIABILITY, DATA BREACH, AND IDENTITY RECOVERY
EXCLUSION

CU-7111(1-15)

This endorsement modifies insurance provided under
the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

This insurance does not apply to damages covered

under the Cyber Liability Coverage, Data Breach
Coverage, or Identity Recovery Coverage endorse-
ments, if attached to the underlying policy.

PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND
DELIVERY SERVICES EXCLUSION

CU-7127(11-16)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

- A. The following exclusion is added to paragraph 2 Exclusions of Section I - Coverage:

Any *covered auto* while being used:

- (1) As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a *covered auto* is being used by an insured who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the *covered auto*; or
- (2) By an insured who is logged into a *transportation network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the *covered auto*.

- B. If Excess Uninsured Bodily Injury and/or Underinsured Motorists Coverage is attached, then this insurance does not apply to:

Public Or Livery Passenger Conveyance
And On-demand Delivery Services

Any *covered auto* while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a *covered auto* is being used by an insured who is logged into a *transportation network*

platform as a driver, whether or not a passenger is *occupying* the *covered auto*; or

- b. By an insured who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the *covered auto*.

C. Additional Definitions

As used in this endorsement:

1. "*Delivery network platform*" means an online-enabled application or digital network used to connect customers:
 - a. With drivers; or
 - b. With local vendors using drivers;
 for the purpose of providing prearranged *delivery services* for compensation. A *delivery network platform* does not include a *transportation network platform*.
2. "*Delivery services*" includes courier services.
3. "*Occupying*" means in, upon, getting in, on, out or off.
4. "*Transportation network platform*" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.



BIS-PAK COVERAGE PART

Declarations

First Named Insured and Address:

EW LIVE LLC
DBA EGG & I
5321 CAMERON ST
LAS VEGAS NV 89118

Agency Name and Number:

SAFEGUARD INSURANCE
8246-AZ

Policy Number: ZD8324

Policy Period: Effective Date: 09-01-19

Expiration Date: 09-01-20

In return for the payment of the premium and subject to
all the terms of the policy, we agree to provide the
insurance coverage as stated in the same.

12:01 A.M. standard time at
your mailing address shown
in the declarations

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CB-7155 (11-13)	Equipment Breakdown Coverage	\$ 3,305.00
CB-0006 (08-15)	Bis-Pak Business Liability and Medical Expenses Coverage Form	
CB-0009 (09-04)	Bis-Pak Common Policy Conditions	
CB-1416 (01-10)	Snow Plow Products-Completed Operations Hazard Coverage	
CB-7410 (08-15)	Civil Authority Changes	
CB-7406 (06-15)	Exclusion - Unmanned Aircraft	
IL-7100 (01-15)	Identity Recovery Coverage	
IL-7102 (09-17)	Cyber Liability Coverage	191.00
IL-7113 (09-17)	Data Breach Coverage	110.00
CB-1504 (05-14)	Exclusion-Access of Confidential or Personal Info/Data with Limited BI	
CB-0417 (01-10)	Employment-Related Practices Exclusion	
CB-0564 (01-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
CB-7297 (01-15)	Exclusion of Certified Acts of Terrorism	
CB-0002 (08-15)	Deluxe Bis-Pak Property Coverage Form	
CB-0188 (05-10)	Nevada Changes	
CB-7266 (08-15)	ACUITY Enhancements - Property Coverages	400.00
CB-7268 (08-15)	ACUITY Enhancements - Liability Coverages	61.00
IL-0415R (01-06)	Protective Safeguards	
IL-7012 (03-14)	Asbestos Exclusion	
CB-7380 (11-13)	Manufacturers' Additional Provisions	
CB-0578 (04-10)	Limited Fungi or Bacteria Coverage (Liability)	588.00
CB-7371 (11-13)	Tentative Rate	
Advance Endorsement Premium		\$ 4,655.00

Policy Number: ZD8324
Effective Date: 09-01-19

PREMIUM SUMMARY

Advance Premium	\$ 47,664.00
Advance Endorsement Premium	4,655.00
Total Advance Premium	\$ 52,319.00

The Total Advance Premium shown above is based on the exposures you anticipated at the time this coverage part began. We will audit this coverage part in accordance with the Bis-Pak Liability and Medical Expenses General Condition entitled Premium Audit - Business Liability at the close of the audit period.

PROPERTY COVERAGES PROVIDED

Form: Deluxe

Coverage Item	Premises Number	Building Number	Valuation Basis	Limit of Insurance	Automatic Increase Percentage
Building	001	001	Replacement Cost	\$ 3,200,000	6%
Business Personal Property	001	001	Replacement Cost	600,000	N/A
Deductible: \$2,500					
Optional Coverages Deductible: \$500					
Building	002	001	Replacement Cost	1,600,000	6%
Business Personal Property	002	001	Replacement Cost	400,000	N/A
Deductible: \$2,500					
Optional Coverages Deductible: \$500					
Building	003	001	Replacement Cost	1,400,000	6%
Business Personal Property	003	001	Replacement Cost	400,000	N/A
Deductible: \$2,500					
Optional Coverages Deductible: \$500					
Building	004	001	Replacement Cost	1,600,000	6%
Business Personal Property	004	001	Replacement Cost	400,000	N/A
Deductible: \$2,500					
Optional Coverages Deductible: \$500					
Business Personal Property	005	001	Replacement Cost	400,000	N/A
Deductible: \$2,500					
Optional Coverages Deductible: \$500					
Business Personal Property	006	001	Replacement Cost	400,000	N/A
Deductible: \$2,500					
Optional Coverages Deductible: \$500					
Business Personal Property	007	001	Replacement Cost	400,000	N/A

Policy Number: ZD8324
Effective Date: 09-01-19

Coverage Item	Premises Number	Building Number	Valuation Basis	Limit of Insurance	Automatic Increase Percentage
Deductible: \$2,500					
Optional Coverages Deductible: \$500					
Building	008	001	Replacement Cost	1,080,000	6%
Business Personal Property	008	001	Replacement Cost	50,000	N/A
Deductible: \$2,500					
Optional Coverages Deductible: \$500					

DESCRIPTION OF PREMISES

Premises Number	Building Number	Construction, Occupancy and Location
001	001	JOISTED MASONRY MASS FOOD PREP 5321 CAMERON ST LAS VEGAS NV
002	001	FRAME RESTAURANT 6960 S RAINBOW BLVD LAS VEGAS NV
003	001	FRAME RESTAURANT 10839 S EASTERN AVE HENDERSON NV
004	001	FRAME RESTAURANT 2025 VILLAGE CENTER CIR LAS VEGAS NV
005	001	JOISTED MASONRY RESTAURANT 4533 W SAHARA AVE STE 5 LAS VEGAS NV
006	001	MASONRY NONCOMBUSTIBLE RESTAURANT 9355 W FLAMINGO RD STE 3 LAS VEGAS NV
007	001	FRAME RESTAURANT 2490 E SUNSET RD LAS VEGAS NV
008	001	JOISTED MASONRY GENERAL OFFICE 4580 W HACIENDA AVE LAS VEGAS NV
009	001	RESTAURANT 7591 TULE SPRINGS RD LAS VEGAS NV

Policy Number: ZD8324
Effective Date: 09-01-19

MORTGAGEHOLDER NAME AND ADDRESS

Premises Number	Building Number	Mortgageholder	Loan Number
001	001	US SMALL BUSINESS ADMINISTRAT C/O TMC FINANCING SERVICING DEPT 1720 BROADWAY FL 3RD OAKLAND CA 94612	
004	001	US SMALL BUSINESS ADMINISTRAT C/O TMC FINANCING SERVICING DEPT 1720 BROADWAY FL 3RD OAKLAND CA 94612	
004	001	US SMALL BUSINESS ADMINISTRAT C/O TMC FINANCING SERVICING DEPT 1720 BROADWAY FL 3RD OAKLAND CA 94612	
008	001	US SMALL BUSINESS ADMINISTRA C/O THE MORTGAGE CAPITAL DEVEL 1720 BROADWAY FL 3RD OAKLAND CA 94612	
008	001	US SMALL BUSINESS ADMINISTRA C/O THE MORTGAGE CAPITAL DEVEL 1720 BROADWAY FL 3RD OAKLAND CA 94612	

LIABILITY COVERAGES PROVIDED

Coverage Item	Limit of Insurance
Liability and Medical Expenses (Each Occurrence)	\$ 1,000,000
Medical Expenses (Any One Person)	10,000
Damage to Premises Rented to You	1,000,000
Products-Completed Operations Aggregate Limit	3,000,000
General Aggregate Limit (Other Than Products-Completed Operations)	3,000,000

SCHEDULE OF LIABILITY CLASSIFICATIONS

Premises Number	Building Number	Classification Description	Class Code	Premium Basis ¹	Rate
001	001	Lessors' Risk	61212	10,000 AR	18.33
002	001	Restaurants	16916	2,354,163 GS	1.99
002	001	Lessors' Risk	61212	3,986 AR	18.33
003	001	Restaurants	16916	2,404,889 GS	1.99
003	001	Lessors' Risk	61212	5,208 AR	18.33
004	001	Restaurants	16916	2,139,084 GS	1.99
004	001	Lessors' Risk	61212	7,250 AR	18.33
005	001	Restaurants	16916	3,088,582 GS	1.99

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Premises Number	Building Number	Classification Description	Class Code	Premium Basis ¹	Rate
006	001	Restaurants	16916	1,673,639 GS	1.99
007	001	Restaurants	16916	2,756,524 GS	1.99
008	001	Food Products Mfg - Not Dry - In Glass	53376	189,985 GS	.31
008	001	Lessors' Risk	61212	5,778 AR	18.33
009	001	Lessors' Risk	61212	4,000 AR	18.33
009	001	Restaurants	16916	If Any GS	1.99

¹ AR = Area - Rate Applies Per 1,000 Square Feet

GS = Gross Sales - Rate Applies Per \$1,000 of Gross Sales

OPTIONAL COVERAGES PROVIDED

Coverage Item	Limit of Insurance
Employee Dishonesty	\$ 10,000
Forgery and Alteration	25,000
Business Income from Dependent Properties	5,000
Electronic Data	10,000
Interruption of Computer Operations	10,000
Outdoor Signs	10,000
ACUITY Enhancements - Liability Coverages	See CB-7268
ACUITY Enhancements - Property Coverages	See CB-7266

Coverage Item	Premises Number	Building Number	Limit of Insurance
Business Income and Extra Expense	001	001	Actual Loss Sustained
<i>Money and Securities</i>	001	001	
Inside the Premises			\$ 10,000
Outside the Premises			5,000
Accounts Receivable	001	001	100,000
Valuable Papers	001	001	100,000
Business Income and Extra Expense	002	001	Actual Loss Sustained
<i>Money and Securities</i>	002	001	
Inside the Premises			10,000
Outside the Premises			5,000
Accounts Receivable	002	001	100,000
Valuable Papers	002	001	100,000
Business Income and Extra Expense	003	001	Actual Loss Sustained
Accounts Receivable	003	001	100,000

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Policy Number: ZD8324

Effective Date: 09-01-19

Coverage Item	Premises Number	Building Number	Limit of Insurance
Valuable Papers	003	001	100,000
<i>Money and Securities</i>	003	001	
Inside the Premises			10,000
Outside the Premises			5,000
Business Income and Extra Expense	004	001	Actual Loss Sustained
<i>Money and Securities</i>	004	001	
Inside the Premises			10,000
Outside the Premises			5,000
Accounts Receivable	004	001	100,000
Valuable Papers	004	001	100,000
Business Income and Extra Expense	005	001	Actual Loss Sustained
<i>Money and Securities</i>	005	001	
Inside the Premises			10,000
Outside the Premises			5,000
Accounts Receivable	005	001	100,000
Valuable Papers	005	001	100,000
Business Income and Extra Expense	006	001	Actual Loss Sustained
<i>Money and Securities</i>	006	001	
Inside the Premises			10,000
Outside the Premises			5,000
Accounts Receivable	006	001	100,000
Valuable Papers	006	001	100,000
Business Income and Extra Expense	007	001	Actual Loss Sustained
<i>Money and Securities</i>	007	001	
Inside the Premises			10,000
Outside the Premises			5,000
Accounts Receivable	007	001	100,000
Valuable Papers	007	001	100,000
Business Income and Extra Expense	008	001	Actual Loss Sustained
<i>Money and Securities</i>	008	001	
Inside the Premises			10,000
Outside the Premises			5,000
Accounts Receivable	008	001	100,000
Valuable Papers	008	001	100,000

Policy Number:

ZD8324

Effective Date:

09-01-19

BIS-PAK PLAN

Restaurant

AUDIT PERIOD

Annual

ADDITIONAL NAMED INSUREDS

WHO IS AN INSURED includes the following Additional Named Insureds:

EGG WORKS HOLDING COMPANY LLC
EGG WORKS HOLDING COMPANY LLC A NEVADA SERIES LIMITED
LIABILITY SERIES E
E&I CATERING LLC
EGG WORKS HOLDING COMPANY LLC SERIES 'F'
EW LIVE LLC DBA EGG WORKS
EGG WORKS 2 LLC
EGG WORKS 3 LLC
EGG WORKS 4 LLC
EGG WORKS 5 LLC
EGG & I LLC
SERIES A EGG WORKS HOLDING COMPANY LLC
SERIES D EGG WORKS HOLDING COMPANY LLC

FIRST NAMED INSURED IS:

LTD LIAB COMPANY (LLC)

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

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DELUXE BIS-PAK® PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declara-

tions. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in italics have special meaning. Refer to the Property Definitions Section.

PROPERTY COVERAGES

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property includes Buildings as described under item a below, Business Personal Property as described under item b below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under item 2, Property Not Covered.

a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Garages, storage buildings, appurtenant structures usual to your occupancy;
- (3) Fixtures, including outdoor fixtures;
- (4) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (5) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (6) Personal property owned by you that is used to maintain or service the buildings, structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering.
- (7) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures; and
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises,

used for making additions, alterations or repairs to the buildings or structures.

b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment and Valuation Property Loss Condition 5g(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under paragraph 1b(2); and
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. *Money or securities*, except as provided in the:
 - (1) Money and Securities Coverage Extension; or
 - (2) Employee Dishonesty Optional Coverage.
- c. Contraband or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns;

- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than *stock* of trees, shrubs or plants), all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
 - f. Watercraft (including motors, equipment and accessories) while afloat;
 - g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or *valuable papers and records*; except as otherwise provided in this policy;
 - h. *Computer(s)* which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to *computer(s)* while held as *stock*;
 - i. *Electronic Data*, except as provided under Additional Coverages - Electronic Data. This paragraph i does not apply to your *stock* of prepackaged software.
 - j. Animals, unless owned by others and boarded by you, or if owned by you, or only as *stock* while inside of buildings.
3. Covered Causes of Loss
- Risks of Direct Physical Loss unless the loss is:
- a. Excluded in Property Exclusions; or
 - b. Limited in paragraph 4, Limitations;
- that follow.
4. Limitations
- a. We will not pay for loss of or damage to:
 - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Extension of Coverage for Money and Securities.
 - (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - (5) The interior of any building or structure or the property inside any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - b. We will not pay for loss of or damage to the following types of property unless caused by the *specified causes of loss* or building glass breakage:
 - (1) Animals, and then only if they are killed or their destruction is made necessary.
 - (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
 - (a) Glass that is part of the exterior or interior of a building or structure;
 - (b) Containers of property held for sale; or
 - (c) Photographic or scientific instrument lenses.
 - c. For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.
5. Additional Coverages
- a. Debris Removal
 - (1) Subject to paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss

that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) Debris removal does not apply to costs to:

- (a) Extract *pollutants* from land or water; or
- (b) Remove, restore or replace polluted land or water.

- (3) Subject to the exceptions in paragraph (4) below, the following provisions apply:

- (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
- (b) Subject to paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

- (5) Examples

Example #1

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$50,000

Amount of Loss Payable	\$49,500
	(\$50,000 - \$500)

Debris Removal Expense	\$10,000
Debris Removal Expense Payable	\$10,000

(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of paragraph (3).

Example #2

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$10,000

The basic amount payable for debris removal expense under the terms of paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Pollutant Clean Up and Removal

We will pay your expense to extract *pollutants* from land or water at the described premises if the discharge, dispersal, seep-

age, migration, release or escape of the *pollutants* is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of *pollutants*. But we will pay for testing which is performed in the course of extracting the *pollutants* from the land or water.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

c. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

We will not pay for any loss or damage under this Additional Coverage if the Covered Property was moved from the described premises to preserve it from loss or damage by a cause of loss that is not a Covered Cause of Loss.

d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

e. Collapse

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in paragraphs e(1) through e(7).

- (1) For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:

- (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (i) A cause of loss listed in paragraph (2)(a) or (2)(b);
 - (ii) One or more of the *specified causes of loss*;
 - (iii) Breakage of building glass;
 - (iv) Weight of people or personal property; or
 - (v) Weight of rain that collects on a roof.

- (3) This Additional Coverage - Collapse does not apply to:

- (a) A building or any part of a building that is in danger of falling down or caving in;
- (b) A part of a building that is standing, even if it has separated from another part of the building; or
- (c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- (4) With respect to the following property:

- (a) Awnings;
- (b) Gutters and downspouts;
- (c) Yard fixtures;

- (d) Outdoor swimming pools;
- (e) Piers, wharves and docks;
- (f) Beach or diving platforms or appurtenances;
- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in paragraphs (2)(a) through (2)(d), we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.

- (5) If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
 - (a) The collapse of personal property was caused by a cause of loss listed in paragraphs (2)(a) through (2)(d) of this Additional Coverage;
 - (b) The personal property which collapses is inside a building; and
 - (c) The property which collapses is not of a kind listed in paragraph (4), regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this paragraph (5) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- (6) This Additional Coverage - Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (7) This Additional Coverage - Collapse will not increase the Limits of Insurance provided in this policy.
- (8) The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in paragraphs e(1) through e(7).
- f. Water, Other Liquids, Powder or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of

the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage, but we will pay the cost to repair or replace damaged parts or fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or
- (2) Is directly caused by freezing.

g. Business Income and Extra Expense

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your *operations* during the *period of restoration*. The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(2) Business income means the:

- (a) Net income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
- (b) Continuing normal operating expenses incurred, including payroll.
- (3) We will pay necessary Extra Expense you incur during the *period of restoration* that you would not have incurred if

there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
 - (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (4) Extra Expense means expense incurred:
- (a) To avoid or minimize the suspension of business and to continue *operations*:
 - (i) At the described premises; or
 - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
 - (b) To minimize the suspension of business if you cannot continue *operations*.
 - (c) To:
 - (i) Repair or replace any property; or
 - (ii) Research, replace or restore the lost information on damaged *valuable papers and records*;

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.
- (5) We will only pay for Loss of Business Income or Extra Expense that you sustain during the *period of restoration* and that occurs within 12 consecutive months after the date of direct physical loss or damage. Items (1) through (5) of this Additional Coverage are not subject to the Limits of Insurance.
- (6) Extended Business Income. If the necessary suspension of your *operations*

produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property, except finished stock, is actually repaired, rebuilt or replaced and *operations* are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your *operations*, with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

- (7) With respect to the coverage provided in this Additional Coverage, suspension means:
- (a) The partial slowdown or complete cessation of your business activities; or
 - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (8) This Additional Coverage is not subject to the Limits of Insurance.

h. Civil Authority

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for necessary Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority coverage for Business Income ends;

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

i. Money Orders and Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, *money* or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) *Counterfeit money* that is acquired during the regular course of business.

The most we will pay for any loss under this Additional Coverage is \$1,000.

j. Forgery and Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in *money*, that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in *money*, on the basis that it has been forged or altered, and you

have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit of Insurance is shown in the Declarations.

k. Increased Cost of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in k(3) through k(9) of this Additional Coverage.
- (3) The ordinance or law referred to in k(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You are required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by *pollutants* or due to the presence, growth, proliferation, spread or any activity of *fungi*, wet rot or dry rot; or
 - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neu-

tralize, or in any way respond to or assess the effects of *pollutants*, *fungi*, wet rot or dry rot.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:

- (i) Until the property is actually repaired or replaced, at the same or another premises; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.

- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

- (9) The costs addressed in the Loss Payment and Valuation Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in k(6) of this Additional Coverage, is not subject to such limitation.

l. Business Income From Dependent Properties

- (1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss to dependent property is loss or damage to *electronic data*, including destruction or corruption of *electronic data*. If the dependent property sustains loss or damage to *electronic data* and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit of Insurance is indicated in the Declarations.

- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume *operations*, in whole or in part, by using any other available:

- (a) Source of materials; or
- (b) Outlet for your products.

- (3) If you do not resume *operations*, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume *operations* as quickly as possible.

- (4) Dependent property means property owned by others whom you depend on to:

- (a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
- (b) Accept your products or services;
- (c) Manufacture your products for delivery to your customers under contract for sale; or
- (d) Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.

- (5) The coverage period for Business Income under this Additional Coverage:

- (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
- (b) Ends on the date when the property at the premises of the depen-

dent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- (6) The Business Income coverage period, as stated in paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*.

The expiration date of this policy will not reduce the Business Income coverage period.

- (7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

m. Glass Expenses

- (1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- (2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

n. Fire Extinguisher Systems Recharge Expense

- (1) We will pay:
 - (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
 - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

o. Water Backup of Sewers or Drains - Computers

- (1) We will pay for loss or damage to *computer(s)* and *electronic media and records* caused by or resulting from water that backs up, or overflows from a sewer, drain or sump.
- (2) Property Exclusions item g(3) does not apply to this Additional Coverage.

p. Electronic Data

- (1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore *electronic data* which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that *electronic data* is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the *electronic data* was stored, with blank media of substantially identical type.
- (2) The Covered Causes of Loss applicable to Business Personal Property include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including *electronic data*) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including *electronic data*) by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage - Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

q. Interruption of Computer Operations

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of *operations* caused by an interruption in computer operations due to destruction or corruption of *electronic data* due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (a) Coverage under this Additional Coverage - Interruption of Computer Operations is limited to the *specified causes of loss* and Collapse.
 - (b) If the Deluxe Bis-Pak® Property Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
 - (c) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including *electronic data*) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including *electronic data*) by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage - Interruption of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and con-

tinues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (4) This Additional Coverage - Interruption of Computer Operations does not apply to loss sustained or expense incurred after the end of the *period of restoration* even if the amount of insurance stated in (3) above has not been exhausted.
- (5) Coverage for Business Income does not apply when a suspension of *operations* is caused by destruction or corruption of *electronic data*, or any loss or damage to *electronic data*, except as provided under paragraphs (1) through (4) of this Additional Coverage.
- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of *operations* caused by destruction or corruption of *electronic data*, or any loss or damage to *electronic data*, except as provided under paragraphs (1) through (4) of this Additional Coverage.

r. Limited Coverage for *Fungi*, Wet Rot Or Dry Rot

- (1) The coverage described in paragraphs r(2) and r(6) only applies when the *fungi*, wet rot or dry rot are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - (a) A *specified cause of loss* other than fire or lightning; or
 - (b) Flood, if the Flood Damage Endorsement applies to the affected premises.
- (2) We will pay for loss or damage by *fungi*, wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by *fungi*, wet rot or dry rot, including the cost or removal of the *fungi*, wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the *fungi*, wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a rea-

son to believe that *fungi*, wet rot or dry rot are present.

- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of *specified causes of loss* (other than fire or lightning) and flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in *fungi*, wet rot or dry rot, we will not pay more than the total of \$15,000 even if the *fungi*, wet rot or dry rot continue to be present or active, or recur, in a later policy period.
- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by *fungi*, wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by *fungi*, wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that *fungi*, wet rot or dry rot cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

PROPERTY EXTENSIONS OF COVERAGE

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

1. Newly Acquired or Constructed Property

a. Buildings

You may extend the insurance that applies to Buildings to apply to:

- (1) Your new buildings or new additions, while being built on the described premises; and
- (2) Buildings you acquire at locations, other than the described premises, intended for:
 - (a) Similar use as the building described in the Declarations; or

- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of *operations* satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.
 - (a) If the loss which resulted in *fungi*, wet rot or dry rot does not in itself necessitate a suspension of *operations*, but such suspension is necessary due to loss or damage to property caused by *fungi*, wet rot or dry rot, then our payment under the Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - (b) If a covered suspension of *operations* was caused by loss or damage other than *fungi*, wet rot or dry rot, but remediation of *fungi*, wet rot or dry rot prolongs the *period of restoration*, we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the *period of restoration*), but such coverage is limited to 30 days. The days need not be consecutive.

(b) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 for each building.

b. Business Personal Property

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (1) Business Personal Property, including such property that you newly acquire, at any location you acquire;
- (2) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (3) Business Personal Property that you newly acquire, located at the described premises.

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

c. Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

2. Personal Effects and Property of Others

a. You may extend the insurance that applies to Business Personal Property to apply to:

- (1) Your personal effects meaning personal property owned by you, your officers, your partners or *members*, your *managers* or your employees. This Extension does not apply to loss or damage by theft or to tools or equipment used in your business.
- (2) Personal property in your care, custody or control belonging to other than you, your officers, your partners or *members*, your *managers* or your employees.

b. The most we will pay for loss or damage under this Extension is \$5,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

3. Property Off-Premises

a. You may extend the insurance provided by this policy to apply to your Covered Property, other than *money* and *securities*, *valuable papers and records* or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000. This Extension does not apply to Covered Property in or on a vehicle.

b. However, under this Extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

4. Property in Transit

You may extend the insurance that applies to Business Personal Property to apply to your personal property in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

The most we will pay for loss or damage under this Extension is \$10,000. However, under this Extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

5. Outdoor Property

a. You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than *stock* of trees, shrubs or plants), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$2,500 unless a higher Limit of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

6. Valuable Papers and Records

a. You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to *valuable papers and records* that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore lost information on *valuable papers and records* for which duplicates do not exist.

b. This Coverage Extension does not apply to:

- (1) Property held as samples or for delivery after sale; and
- (2) Property in storage away from the premises shown in the Declarations.

c. The most we will pay under this Coverage Extension for loss or damage to *valuable papers and records* in any one occurrence at the described premises is \$10,000 unless a higher Limit of Insurance for *Valuable Papers and Records* is shown in the Declarations.

For *valuable papers and records* not at the described premises, the most we will pay is \$5,000.

- d. Loss or damage to *valuable papers and records* will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the *valuable papers and records* are not restored, the *valuable papers and records* will be valued at the cost of replacement with blank materials of substantially identical type.

- e. Property Exclusions does not apply to this Coverage Extension except for:

- (1) 1c, Governmental Action;
- (2) 1d, Nuclear Hazard;
- (3) 1f, War and Military Action;
- (4) 2f, Dishonesty;
- (5) 2g, False Pretense;
- (6) Paragraph 2m(2), Errors or Omissions; and
- (7) 3.

7. Accounts Receivable

- a. You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payments of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- b. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for Accounts Receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

- c. Property Exclusions does not apply to this Coverage Extension except for:

- (1) 1c, Governmental Action;
- (2) 1d, Nuclear Hazard;

- (3) 1f, War and Military Action;
- (4) 2f, Dishonesty;
- (5) 2g, False Pretense;
- (6) 3; and
- (7) The Accounts Receivable Exclusion.

8. Money and Securities

- a. We will pay for loss of *money* and *securities* used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises or in transit between any of these places, resulting directly from:

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

- b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) Of property contained in any *money*-operated device unless the amount of *money* deposited in it is recorded by a continuous recording instrument in the device.

- c. The most we will pay for loss in any one occurrence is:

- (1) The limit shown in the Declarations for Inside the Premises for *money* and *securities* while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
- (2) The limit shown in the Declarations for Outside the Premises for *money* and *securities* while anywhere else.

- d. All loss:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of related acts;

is considered one occurrence.

- e. You must keep records of all *money* and *securities* so we can verify the amount of any loss or damage.

PROPERTY EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

- a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

- b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in paragraphs (1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But, if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in (5)(a), (5)(b) and (5)(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

This exclusion applies regardless of whether any of the above, in paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

- c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

- d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But, if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the loss or damage caused by that fire.

- e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not

have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

This exclusion does not apply to loss or damage to *computer(s)* and *electronic data*.

f. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or

other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. *Fungi*, Wet Rot or Dry Rot

Presence, growth, proliferation, spread or any activity of *fungi*, wet rot or dry rot.

But if *fungi*, wet rot or dry rot result in a *specified cause of loss*, we will pay for the loss or damage caused by that *specified cause of loss*.

This exclusion does not apply:

- (1) When *fungi*, wet rot or dry rot result from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage for *Fungi*, Wet Rot or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

i. Virus Or Bacteria

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in paragraph (1) does not apply to loss or damage caused by or resulting from *fungi*, wet rot or dry rot. Such loss or damage is addressed in Exclusion j;
- (3) With respect to any loss or damage subject to the exclusion in paragraph (1), such exclusion supersedes any exclusion relating to *pollutants*.

j. Certain Computer-Related Losses

- (1) The failure, malfunction or inadequacy of:
 - (a) Any of the following, whether belonging to any insured or to others:
 - (i) *Computer* hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
 - (ii) *Computer* application software or other *electronic data* as may be described elsewhere in this policy;
 - (iii) *Computer* operating systems and related software;
 - (iv) *Computer* networks;

(v) Microprocessors (*computer chips*) not part of any *computer system*; or

(vi) Any other computerized or electronic equipment or components; or

(b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

(2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in paragraph (1) above.

If excluded loss or damage as described in paragraph 1a of this endorsement results in a *specified cause of loss*, we will pay only for the loss or damage caused by such *specified cause of loss*.

We will not pay for repair, replacement or modification of any items in paragraphs (1)(a) or (1)(b) endorsement to correct any deficiencies or change any features.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Electrical Apparatus

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

(1) Electrical current, including arcing;

(2) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(3) Pulse of electromagnetic energy; or

(4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to *computer(s)* due to artificially generated electrical, magnetic or electromagnetic energy if

such loss or damage is caused by or results from:

(1) An occurrence that took place within 100 feet of the described premises; or

(2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But, if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

e. Frozen Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, *members*, officers, *managers*, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

With respect to accounts receivable and *valuable papers and records*, this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

g. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. Exposed Property

Rain, snow, ice or sleet to personal property in the open.

i. Collapse

(1) Collapse, including any of the following conditions of property or any part of the property:

- (a) An abrupt falling down or caving in;
- (b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to paragraph i (1)(a) or i (1)(b).

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

(2) This Exclusion i, does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage - Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The *specified causes of loss*;
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.

j. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of *pollutants* unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the *specified causes of loss*. But, if the discharge, dispersal, seepage, migration, release or escape of *pollutants* results in a *specified cause of loss*, we will pay for the loss or damage caused by that *specified cause of loss*.

k. Neglect

Neglect of an insured to use all reasonable

means to save and preserve property from further damage at and after the time of loss.

I. Other Types of Loss

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

This exclusion does not apply with respect to the breakdown of *computer(s)*;

- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But, if an excluded cause of loss that is listed in 2I(1) through (7) results in a *specified cause of loss*, or building glass breakage, we will pay for the loss or damage caused by that *specified cause of loss* or building glass breakage.

m. Errors or Omissions

Errors or omissions in:

- (1) Programming, processing or storing data, as described under *electronic data* or in any *computer* operations; or
- (2) Processing or copying *valuable papers and records*.

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your *computer* system including *electronic data*.

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of *electronic data*, except as provided for under the Additional Coverages section.

However, we will pay for direct loss or damage caused by lightning.

p. Continuous or Repeated Seepage or Leakage of Water

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

3. We will not pay for loss or damage caused by or resulting from any of the following 3a through c. But if an excluded cause of loss that is listed in 3a through c results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather Conditions

But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1 above to produce the loss or damage.

b. Acts or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Negligent Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Additional Exclusion

The following applies only to the property specified in this Additional Exclusion.

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair.

This exclusion applies to any effect that com-

promises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

5. Business Income and Extra Expense Exclusions

a. We will not pay for:

- (1) Any Extra Expense or increase of Business Income loss, caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming *operations*, due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of *operations*, we will cover such loss that affects your Business Income during the *period of restoration* and any extension of the *period of restoration* in accordance with the terms of the Extended Business Income Additional Coverage.

- (2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

- (1) The partial slowdown or complete cessation of your business activities; and
- (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

6. Accounts Receivable Exclusion

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

- a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of *money*, *securities* or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

PROPERTY LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
 2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
 3. The amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance:
 - a. Fire Department Service Charge;
 - b. Pollutant Clean-up And Removal;
 - c. Increased Cost Of Construction;
 - d. Business Income From Dependent Properties;
 - e. Electronic Data; and
 - f. Interruption Of Computer Operations.
 4. Building Limit - Automatic Increase
 - a. In accordance to paragraph 4b, the Limit of Insurance for Buildings will automatically increase by 6%, unless a different percentage of annual increase is shown in the Declarations.
 - b. The amount of increase is calculated as follows:
 - (1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit by:
 - (a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or
 - (b) .06, if no percentage of annual increase is shown in the Declarations; and
 - (2) Multiply the number calculated in accordance with b(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.
- Example:
- If:
- The applicable Building limit is \$100,000
- The annual percentage increase is 8%
- The number of days since the beginning of the policy year (or last policy change) is 180
- The amount of increase is
 $\$100,000 \times .08 \times 180 \div 365 = \$3,945$
5. Business Personal Property Limit - Seasonal Increase
 - a. Subject to paragraph 5b, the Limit of Insurance for Business Personal Property is automatically increased by:
 - (1) The Business Personal Property - Seasonal Increase percentage shown in the Declarations; or
 - (2) 25% if no Business Personal Property - Seasonal Increase percentage is shown in the Declarations;
 - b. This increase described in paragraph 5a will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

PROPERTY OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Outdoor Signs
 - a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
 - b. Paragraph 3, Covered Causes of Loss, under the Property Coverages Section, and the Property Exclusions Section do not apply to this Optional Coverage, except for the following Property Exclusions:
 - (1) Paragraph 1c, Governmental Action;
 - (2) Paragraph 1d, Nuclear Hazard; and
 - (3) Paragraph 1f, War and Military Action.
 - c. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Rust;
 - (4) Corrosion; or
 - (5) Mechanical breakdown.
 - d. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.
 - e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.
2. Employee Dishonesty
- a. We will pay for direct loss of or damage to Business Personal Property, including *money* and *securities*, resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
 - b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners or *members* commit whether acting alone or in collusion with other persons.
 - (2) Resulting from any dishonest act committed by any of your employees (except as provided in paragraph a), *managers* or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
 - c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
 - d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of acts;
- is considered one occurrence.
- e. If any loss is covered:
 - (1) Partly by this insurance; and
 - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
 - f. This Optional Coverage is cancelled as to any employee immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, *members*, *managers*, officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.
 - g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
 - h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
 - (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
 - i. The insurance under paragraph h above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
 - (1) This Optional Coverage as of its effective date; or
 - (2) The prior insurance had it remained in effect.
 - j. With respect to the Employee Dishonesty Optional Coverage in paragraph 2, employee means:

- (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you.
- (2) Any natural person who is furnished temporarily to you;
 - (a) To substitute for a permanent employee as defined in paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions.
- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in para-

graph (2) above;

- (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any *manager*, director or trustee except while performing acts coming within the usual duties of an employee.

PROPERTY DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

In the event that loss or damage occurs to Covered Property at one or more building locations as a result of one occurrence, the largest applicable deductible shown in the Declarations will apply.

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:
 - a. Money and Securities;

- b. Employee Dishonesty;
- c. Outdoor Signs; and
- d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

3. No deductible applies to the following Additional Coverages, Extensions of Coverage or Optional Coverages:
 - a. Fire Department Service Charge;
 - b. Business Income and Extra Expense;
 - c. Civil Authority;
 - d. Fire Extinguisher Systems Recharge Expense.

PROPERTY GENERAL CONDITIONS

1. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage

to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.
- All of the terms of this policy will then apply directly to the mortgageholder.
- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) Ten days before the effective date of

cancellation if we cancel for your non-payment of premium; or

- (2) Thirty days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

4. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

- b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses reasonably incurred to protect the Covered Property. We will consider these expenses in the settlement of a claim, but this will not increase the applicable Limit of Insurance. However, we will not consider any expenses incurred in order to protect the Covered Property from a cause of loss that is not a Covered Cause of Loss. Also, if feasible,

set the damaged property aside and in the best possible order for examination.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) Resume all or part of your *operations* as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

5. Loss Payment and Valuation

In the event of loss or damage covered by this Coverage Form:

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality.

- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy and we have reached agreement with you on the amount of loss or an appraisal award has been made.
- g. Except as provided in (2) through (7) below, we will determine the value of Covered Property as follows:

- (1) At replacement cost without deduction for depreciation, if Replacement Cost is indicated in the Declarations as the basis for valuation of the Covered Property.

- (a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

- (b) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of paragraph g(1) above whether or not the actual repair or replacement is complete.

- (c) We will not pay more for loss or damage on a replacement cost basis than the least of:
 - (i) The cost to replace, on the same premises, the lost or damaged property with other property that is of comparable material and quality and is used for the same purpose.
 - (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
 - (iii) The limit shown in the Declarations for the Covered Property.

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.

- (2) At actual cash value, if Actual Cash Value is indicated in the Declarations as the basis for valuation of the Covered Property. We will never pay more than the applicable limit shown in the Declarations.
- (3) The following property at actual cash value:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts; and
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4) Glass at the cost of replacement with

safety glazing material if required by law.

- (5) *Money* at its face value.
- (6) *Securities* at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to Accounts Receivable:
 - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss or damage;
 - (ii) The amount of the accounts that you are able to reestablish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment and Valuation Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does

not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Common Policy Condition.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

7. Resumption of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your *operations*, in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return *operations* to normal and discontinue such Extra Expense.

8. Vacancy

a. Description of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (a) and (b) below:

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

PROPERTY DEFINITIONS

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

Computer does not include those used to operate production type machinery or equipment.

2. "Counterfeit money" means an imitation of money that is intended to deceive and to be taken as the original.

3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer

software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of *electronic data*, means a set of related electronic instructions which direct the operations and functions of a *computer* or device connected to it, which enable the *computer* or device to receive, process, store, retrieve or send data.

4. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by *fungi*.

5. "Manager" means a person serving in a direc-

torial capacity for a limited liability company.

6. "*Member*" means an owner of a limited liability company represented by its membership interest, who also may serve as a *manager*.
7. "*Money*" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
8. "*Operations*" mean your business activities occurring at the described premises.
9. "*Period of restoration*" means the period of time that:
 - a. Begins:
 - (1) 24 hours after time of direct physical loss or damage for Business Income coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

Caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

Period of restoration does not include any increased period required due to the enforcement of any ordinance or law that:

 - a. Regulates the construction, use or repair, or requires the tearing down of any property; or
 - b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of *pollutants*.

The expiration date of this policy will not cut short the *period of restoration*.
10. "*Pollutants*" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
11. "*Securities*" means negotiable and nonnegotiable instruments or contracts representing either *money* or other property and includes:
 - a. Tokens, tickets, revenue and other stamps

(whether represented by actual stamps or unused value in a meter) in current use; and

- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include *money*.
12. "*Specified causes of loss*" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss of or damage to:
 - (1) Personal Property in the open; or
 - (2) The interior of a building or structure or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
13. "*Stock*" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
14. "*Valuable papers and records*" means inscribed, printed, or written:
 - a. Documents;
 - b. Manuscripts; and
 - c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But *valuable papers and records* does not mean *money* or *securities*.

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BIS-PAK[®] BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

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BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under the Who Is An Insured Section of this policy.

Other words and phrases that appear in italics have special meaning. Refer to the Liability and Medical Expenses Definitions Section.

LIABILITY AND MEDICAL EXPENSES COVERAGES

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of *bodily injury*, *property damage* or *personal and advertising injury* to which this insurance applies. We will have the right and duty to defend the insured against any *suit* seeking those damages. However, we will have no duty to defend the insured against any *suit* seeking damages for *bodily injury*, *property damage* or *personal and advertising injury* to which this insurance does not apply. We may at our discretion investigate any *occurrence* or any offense and settle any claim or *suit* that may result. But:

- (1) The amount we will pay for damages is limited as described in the Liability and Medical Expenses Limits of Insurance Section; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

b. This insurance applies:

- (1) To *bodily injury* or *property damage* only if:
 - (a) The *bodily injury* or *property damage* is caused by an *occurrence* that takes place in the *coverage territory*; and
 - (b) The *bodily injury* or *property damage* occurs during the policy period.
 - (c) Prior to the policy period, no insured listed under item 1 of Who Is An Insured and no *employee* authorized by you to give or receive notice of an *occurrence* or claim, knew that the *bodily injury* or *prop-*

erty damage had occurred, in whole or in part. If such a listed insured or authorized *employee* knew, prior to the policy period, that the *bodily injury* or *property damage* occurred, then any continuation, change or resumption of such *bodily injury* or *property damage* during or after the policy period will be deemed to have been known before the policy period.

- (2) To *personal and advertising injury* caused by an offense arising out of your business, but only if the offense was committed in the *coverage territory* during the policy period.

- c. *Bodily injury* or *property damage* which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under item 1 of Who Is An Insured or any *employee* authorized by you to give or receive notice of an *occurrence* or claim, includes any continuation, change or resumption of *bodily injury* or *property damage* after the end of the policy period.

- d. *Bodily injury* or *property damage* will be deemed to have been known to have occurred at the earliest time when any insured listed under item 1 of Who Is An Insured or any *employee* authorized by you to give or receive notice of an *occurrence* or claim:

- (1) Reports all, or any part, of the *bodily injury* or *property damage* to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the *bodily injury* or *property damage*; or
- (3) Becomes aware by any other means that *bodily injury* or *property damage* has occurred or has begun to occur.

- e. Damages because of *bodily injury* include damages claimed by any person or organization for care, loss of services or death resulting at any time from the *bodily injury*.

f. Coverage Extension - Supplementary Payments

(1) We will pay, with respect to any claim we investigate or settle, or any *suit* against an insured we defend:

- (a) All expenses we incur.
- (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for *bodily injury* applies. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or *suit*, including actual loss of earnings up to \$250 a day because of time off from work.
- (e) All court costs taxed against the insured in the *suit*. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

(2) If we defend an insured against a *suit* and an indemnitee of the insured is also named as a party to the *suit*, we will defend that indemnitee if all of the following conditions are met:

- (a) The *suit* against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an insured *contract*;
- (b) This insurance applies to such liability assumed by the insured;

(c) The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by the insured in the same *insured contract*;

(d) The allegations in the *suit* and the information we know about the *occurrence* are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;

(e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such *suit* and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(f) The indemnitee:

(i) Agrees in writing to:

- i. Cooperate with us in the investigation, settlement or defense of the *suit*;
- ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *suit*;
- iii. Notify any other insurer whose coverage is available to the indemnitee; and
- iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(ii) Provides us with written authorization to:

- i. Obtain records and other information related to the *suit*; and
- ii. Conduct and control the defense of the indemnitee in such *suit*.

(3) So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 1b(2) of Exclusions, such payments will not be deemed to be damages for *bodily injury* and *property damage* and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in paragraph (2)(f) above, are no longer met.

2. Medical Expenses

- a. We will pay medical expenses as described below for *bodily injury* caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
 provided that:

- (1) The accident takes place in the *coverage territory* and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the Limit of Insurance. We will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

EXCLUSIONS

1. Applicable to Business Liability Coverage

This Insurance does not apply to:

a. Expected or Intended Injury

Bodily injury or *property damage* expected or intended from the standpoint of the insured. This exclusion does not apply to *bodily injury* resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

Bodily injury or *property damage* for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an *insured contract*, provided the *bodily injury* or *property damage* occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an *insured contract*, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of *bodily injury* or *property damage*, provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same *insured contract*; and

- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

Bodily injury or *property damage* for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing of alcoholic beverages.

d. Workers' Compensation and Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employers' Liability

Bodily injury to:

- (1) An employee of the insured arising out of and in the course of:

- (a) Employment by the insured; or
- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an *insured contract*.

f. Pollution

- (1) *Bodily injury or property damage* arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) *Bodily injury* if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) *Bodily injury or property damage* for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) *Bodily injury or property damage* arising out of heat, smoke or fumes from a *hostile fire*;
 - (b) At or from any premises, site or location which is or was at any

time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the *pollutants* are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) *Bodily injury or property damage* arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of *mobile equipment* or its parts if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.
 - (ii) *Bodily injury or property damage* sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) *Bodily injury or property damage* arising out of heat, smoke or fumes from a *hostile fire*.

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, *pollutants*.
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*; or
 - (b) Claim or *suit* by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of *pollutants*.

However, this paragraph does not apply to liability for damages because of *property damage* that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or *suit* by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

Bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft, *auto* or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and *loading or unloading*.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft, *auto* or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) Watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge.
- (3) Parking an *auto* on, or on the ways

next to premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;

- (4) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (5) *Bodily injury or property damage* arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
 - (b) The operation of any of the following machinery or equipment:
 - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

Bodily injury or property damage arising out of:

- (1) The transportation of *mobile equipment* by an *auto* owned or operated by or rented or loaned to any insured; or
- (2) The use of *mobile equipment* in, or while in practice for, or while being prepared for, any prearranged racing, speed or stunting activity.

i. War

Bodily injury, property damage or personal and advertising injury, however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

j. Professional Services

Bodily injury, property damage or personal and advertising injury due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting, advertising, counseling, consulting services or funeral home services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;
- (5) Any health or therapeutic service, treatment, advice or instruction including but not limited to physiotherapy, massage, chiropody, or the operation or use of suntanning booths or equipment;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services, barber and beauty shops;
- (9) Services in the practice of pharmacy, but this exclusion does not apply to an insured whose operations include those of a retail druggist or drugstore.
- (10) Services in connection with the selling, licensing, franchising or furnishing of your computer software including electronic data processing programs, designs, specifications, manuals and instructions.
- (11) Data processing services rendered by, or that should have been rendered by:
 - (a) The insured; or
 - (b) Any person or organization:
 - (i) For whose acts, errors or omissions the insured is legally responsible; or
 - (ii) From whom the insured assumed liability by reason of a contract or agreement.
- (12) The rendering of, or failure to render, electronic data processing, computer consulting or computer programming services, advice or instruction by:
 - (a) The insured; or

(b) Any person or organization:

- (i) For whose acts, errors or omissions the insured is legally responsible; or
- (ii) From whom the insured assumed liability by reason of a contract or agreement.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the *occurrence* which caused the *bodily injury or property damage*, or the offense which caused the *personal and advertising injury*, involved the rendering or failure to render of any professional service.

k. Damage to Property

Property damage to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the *property damage* arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of any insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the *property damage* arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because *your work* was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to *property damage* (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in paragraph 3 under the Liability And Medical Expenses Limits Of Insurance Section.

Paragraph (2) of this exclusion does not apply if the premises are *your work* and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to *property damage* included in the *products-completed operations hazard*.

l. Damage to Your Product

Property damage to your product arising out of it or any part of it.

m. Damage to Your Work

Property damage to your work arising out of it or any part of it and included in the *products-completed operations hazard*.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage to Impaired Property or Property Not Physically Injured

Property damage to impaired property or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in *your product* or *your work*; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to *your product* or *your work* after it has been put to its intended use.

o. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) *Your product*;
- (2) *Your work*; or
- (3) *Impaired property*;

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal and Advertising Injury

Personal and advertising injury:

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict *personal and advertising injury*;

- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your *advertisement*;
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your *advertisement*;
- (7) Arising out of the wrong description of the price of goods, products or services stated in your *advertisement*;
- (8) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of websites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs a, b and c of Definition 14 *Personal and advertising injury* under Liability And Medical Expenses Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting.

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants* at any time.
- (10) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way responding to, or assessing the effects of *pollutants*.
 - (b) Claim or suit by or on behalf of a

governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of *pollutants*.

- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.
- (12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your *advertisement*.

However, this exclusion does not apply to infringement, in your *advertisement*, of copyright, trade dress or slogan.

- (13) Arising out of the unauthorized use of another's name or product in your email address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

q. Suntanning Operations

Bodily injury, personal and advertising injury or property damage arising out of the ownership, operation or use of any suntanning booth or suntanning device.

r. Lead

Bodily injury, property damage, personal and advertising injury arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, dispose of or in any way respond to or assess the effects of lead in any form; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, disposing of or in any way responding to or assessing the effects of lead in any form.

s. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy discs, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

t. Criminal Acts

Personal and advertising injury arising out of a criminal act committed by or at the direction of the insured.

u. Recording And Distribution Of Material Or Information In Violation Of Law

Bodily injury, property damage, or personal and advertising injury arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c, d, e, f, g, h, i, k, l, m, n, o and r do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in the Limits of Insurance Section of this Coverage Form.

2. Applicable to Medical Expenses Coverage

We will not pay expenses for *bodily injury*:

- a. To any insured, except *volunteer workers*.

- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
 - c. To a person injured on that part of premises you own or rent that the person normally occupies.
 - d. To a person, whether or not an *employee* of any insured, if benefits for the *bodily injury* are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
 - e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or taking part in athletic contests.
 - f. Included within the *products-completed operations hazard*.
 - g. Excluded under Business Liability Coverage.
3. Applicable to Both Business Liability Coverage and Medical Expenses Coverage - Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. Under Business Liability Coverage, to *bodily injury* or *property damage*:
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its Limit of Liability; or
 - (2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.
- c. Under Business Liability Coverage, to *bodily*

injury or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:

- (1) The *nuclear material*:
 - (a) Is at any *nuclear facility* owned by or operated by or on behalf of an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The *bodily injury* or *property damage* arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.
- d. As used in this exclusion:
- "*Byproduct material*" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- "*Hazardous properties*" include radioactive, toxic or explosive properties;
- "*Nuclear facility*" means:
- (1) Any *nuclear reactor*;
 - (2) Any equipment or device designed or used for:
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing *spent fuel*; or
 - (c) Handling, processing or packaging *waste*;
 - (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof or more than 250 grams of uranium 235;
 - (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*;
- and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for

such operations;

"*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*;

"*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"*Property damage*" includes all forms of radioactive contamination of property;

"*Source material*" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"*Special nuclear material*" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*;

"*Waste*" means any waste material:

- (1) Containing *byproduct material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
- (2) Resulting from the operation by any person or organization of any *nuclear facility* included under paragraphs (1) and (2) of the definition of *nuclear facility*.

WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your *executive officers* and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your *volunteer workers* only while performing duties related to the conduct of your business, or your *employees* other than either your *executive officers* (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your

business. However, none of these *employees* or *volunteer workers* are insureds for:

- (1) *Bodily injury* or *personal and advertising injury*:
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-*employee* while in the course of his or her employment or performing duties related to the conduct of your business, or to your other *volunteer workers* while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-*employee* as a consequence of paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b); or
 - (d) Arising out of his or her providing or failing to provide professional health care services. However, if you have *employees* who are pharmacists in your retail druggist or drugstore operation, they are insured with respect to their providing or failing to provide professional health care services; or
- (2) *Property damage* to property:
 - (a) Owned, occupied or used by; or
 - (b) Rented to, in the care, custody or control of, or over which physical

control is being exercised for any purpose by;

you, any of your *employees, volunteer workers*, any partner or member (if you are a partnership or joint venture) or any member (if you are a limited liability company).

- b. Any person (other than your *employee* or *volunteer worker*) or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. Any organization you newly acquire or form, other than a partnership, limited liability company or joint venture and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage does not apply to *bodily injury* or *property damage* that occurred before you acquired or formed the organization; and
- c. Coverage does not apply to *personal and advertising injury* arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or *suits* brought; or
 - c. Persons or organizations making claims or bringing *suits*.
2. The most we will pay for the sum of all damages because of all:
 - a. *Bodily injury, property damage* and medical expenses arising out of any one *occurrence*; and
 - b. *Personal and advertising injury* sustained by any one person or organization;

is the Liability and Medical Expenses Limit shown in the Declarations. But the most we will pay for all medical expenses because of *bodily injury* sustained by any one person is the Medical Expenses Limit shown in the Declarations.
3. The most we will pay under Business Liability Coverage for damages because of *property damage* to a premises while rented to you or in the case of a fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You Limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the Damage To Premises Rented To You Limit shown in the Declarations.
4. Aggregate Limits

- a. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for injury or damage under the *products-completed operations hazard* arising from all *occurrences* during the policy period.
- b. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages because of all:
 - (1) *Bodily injury, property damage* and medical expenses arising from all *occurrences* during the policy year. This limit applies separately to:
 - (a) Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad; and
 - (b) Each of your projects away from a location owned by or rented to you; or
 - (2) *Personal and advertising injury* arising out of all offenses committed during the policy period.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be

deemed part of the last preceding period for purposes of determining the Limits of Insurance.

LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

We have no duty to provide coverage under this Coverage Part unless you and any other involved insured have fully complied with the Conditions contained in this Coverage Part.

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. Duties in the Event of Occurrence, Offense, Claim or Suit

a. You must see to it that we are notified as soon as practicable of an *occurrence* or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the *occurrence* or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the *occurrence* or offense.

b. If a claim is made or *suit* is brought against any insured, you must;

- (1) Immediately record the specifics of the claim or *suit* and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or *suit* as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or *suit*;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the *suit*; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a *suit* asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this policy to the First Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or *suit* is brought.

5. Premium Audit - Business Liability

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. If a premium payment is due, we will send notice to the First Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the First Named Insured.

c. The First Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "*Advertisement*" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "*Auto*" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, *auto* does not include *mobile equipment*.
3. "*Bodily injury*" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "*Coverage territory*" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph a above; or
 - c. All parts of the world if:

The injury or damage arises out of:

 - (1) Goods or products made or sold by you in the territory described in a above; or
 - (2) The activities of a person whose home is in the territory described in a above, but is away for a short time on your business; and
 - (3) "*Personal and advertising injury*" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a *suit* on the merits in the territory described in a above or in a settlement we agree to.
5. "*Employee*" includes a *leased worker*. *Employee* does not include a *temporary worker*.
6. "*Executive officer*" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "*Hostile fire*" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "*Impaired property*" means tangible property, other than *your product* or *your work*, that cannot be used or is less useful because:
 - a. It incorporates *your product* or *your work* that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

 - a. The repair, replacement, adjustment or removal of *your product* or *your work*; or
 - b. Your fulfilling the terms of the contract or agreement.
9. "*Insured contract*" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an *insured contract*.
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement; or
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for *bodily injury* or *property damage* to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f does not include that part of any contract or agreement;

 - (1) That indemnifies a railroad for *bodily injury* or *property damage* arising out of

construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.

10. "*Leased worker*" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. *Leased worker* does not include a *temporary worker*.

11. "*Loading or unloading*" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or *auto*;
- b. While it is in or on an aircraft, watercraft or *auto*; or
- c. While it is being moved from an aircraft, watercraft or *auto* to the place where it is finally delivered.

But *loading or unloading* does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or *auto*.

12. "*Mobile equipment*" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or

- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers.

- e. Vehicles not described in a, b, c or d above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers.

- f. Vehicles not described in a, b, c or d above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not *mobile equipment* but will be considered *autos*:

- (1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning.

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, *mobile equipment* does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered *autos*.

13. "*Occurrence*" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "*Personal and advertising injury*" means injury, including consequential *bodily injury*, arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or

organization or disparages a person's or organization's goods, products or services;

- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your *advertisement*; or
 - g. Infringing upon another's copyright, trade dress or slogan in your *advertisement*.
15. "*Pollutants*" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "*Products-completed operations hazard*":

- a. Includes all *bodily injury* and *property damage* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The *bodily injury* or *property damage* must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of *your product* for consumption on premises you own or rent.

- b. Does not include *bodily injury* or *property damage* arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the *loading or unloading* of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "*Property damage*" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the *occurrence* that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "*Suit*" means a civil proceeding in which damages because of *bodily injury*, *property damage*, or *personal and advertising injury* to which this insurance applies are alleged. *Suit* includes:

- a. An arbitration proceeding in which such damages are claimed and to which the *insured* must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the *insured* submits with our consent.

19. "*Temporary worker*" means a person who is furnished to you to substitute for a permanent *employee* on leave or to meet seasonal or short-term workload conditions.

20. "*Volunteer worker*" means a person who is not your *employee*, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "*Your product*" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your product*; and
- b. The providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

22. "*Your work*" means:

- a. Work or operations performed by you or on

your behalf; and

- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your work*; and
- b. The providing of or failure to provide warnings or instructions.

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BIS-PAK® COMMON POLICY CONDITIONS

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BIS-PAK® COMMON POLICY CONDITIONS

All coverages of this Coverage Part are subject to the following conditions.

A. CANCELLATION

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:
 - a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium.
 - b. Thirty days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The First Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

D. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and

records as they relate to this policy at any time during the policy period and up to three years afterward.

E. INSPECTIONS AND SURVEYS

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1 and 2 of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2 of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

F. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

G. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

H. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering

on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1 above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
3. Business Liability Coverage is excess over:
 - a. Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (1) That is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for *your work*;
 - (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
 - (3) If the loss arises out of the maintenance or use of aircraft, *autos* or watercraft to the extent not subject to Exclusion g.
 - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
4. When Business Liability Coverage is excess, we will have no duty to defend the insured against any *suit* if any other insurer has a duty to defend the insured against that *suit*. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When Business Liability Coverage is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- b. The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

I. PREMIUMS

1. The First Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
 3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with paragraph 2 above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
 4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium.

J. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

1. Applicable to Property coverage:

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at the time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Liability coverage:

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring *suit* or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

K. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper tem-

porary custody of your property will have your rights and duties but only with respect to that property.

L. REPRESENTATIONS

By accepting this policy, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.

M. WHEN WE DO NOT RENEW

If we elect not to renew this policy, we will mail or deliver to the First Named Insured shown in the Declarations written notice of the non-renewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

NEVADA CHANGES

CB-0188(5-10)

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART

- A. The Bis-Pak® Business Liability and Medical Expense Coverage Form is amended as follows:

The term spouse is replaced by the following:

Spouse or individual who is in a domestic partnership recognized under Nevada law.

- B. The Bis-Pak® Common Policy Conditions is amended as follows:

1. Paragraph A3 is deleted.
2. The following are added to paragraph A Cancellation:

7. Midterm Cancellation

If this policy has been in effect for 70 days or more, or if this policy is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- a. Nonpayment of premium;
- b. Conviction of the insured of a crime arising out of acts increasing the hazard insured against;
- c. Discovery of fraud or material misrepresentation in obtaining the policy or in presenting a claim thereunder;
- d. Discovery of an act or omission or a violation of any condition of the policy which occurred after the first effective date of the current policy, and substantially and materially increases the hazard insured against;
- e. A material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- f. A determination by the commissioner that continuation of our present volume of premiums would jeopardize our solvency or be hazardous to the interests of our policyholders, creditors or the public;
- g. A determination by the commissioner that the continuation of the policy would violate, or place us in violation of, any provision of the code.

8. Anniversary Cancellation

If this policy is written for a term longer than one year, we may cancel for any

reason at an anniversary, by mailing or delivering written notice of cancellation to the First Named Insured at the last mailing address known to us at least 60 days before the anniversary date.

9. If this policy has been issued to a condominium association, we will also mail or deliver the written notice of cancellation to each unit-owner and each holder of a security interest to whom a certificate or memorandum of insurance has been issued.

3. Paragraph C Concealment, Misrepresentation Or Fraud is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or

2. Fraud;

committed by an insured at any time and relating to a claim under this policy.

4. Paragraph M When We Do Not Renew is replaced by the following:

M. Nonrenewal

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured shown in the Declarations a notice of intention not to renew at least 60 days before the agreed expiration date.

If this policy has been issued to a condominium association, we will also mail or deliver the written notice of nonrenewal to each unit-owner and each holder of a security interest to whom we issued a certificate or memorandum of insurance.

If notice is mailed, proof of mailing will be sufficient proof of notice.

2. We need not provide this notice if:
 - a. You have accepted replacement coverage;
 - b. You have requested or agreed to nonrenewal; or
 - c. This policy is expressly designated as nonrenewable.

5. The following paragraph is added:

Notices

1. Notice of cancellation or nonrenewal will be mailed, first class or certified, or

delivered to the First Named Insured at the last mailing address known to us and will state:

- a. The specific reason for cancellation or nonrenewal; and
 - b. The effective date of nonrenewal.
2. We will also provide a copy of the notice of cancellation, for both policies in effect less than 70 days and policies in effect 70 days or more, to the agent who wrote the policy.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

CB-0417(1-10)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following exclusion is added:

1. This insurance does not apply to *bodily injury* or *personal and advertising injury* to:
 - a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
2. The Employment-Related Practices Exclusion applies:
 - a. Whether the injury-causing event described in paragraph (1), (2) or (3) above occurs before employment, during employment or after employment of that person;
 - b. Whether the insured may be liable as an employer or in any other capacity; and
 - c. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION
OF FEDERAL TERRORISM RISK INSURANCE ACT)

CB-0564(1-15)

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART

A. The Bis-Pak® Property Coverage Form and the Bis-Pak® Business Liability and Medical Expenses Coverage Form are amended as follows:

1. Applicability Of The Provisions Of This Endorsement

a. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

(1) The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or

(2) A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(c) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

b. If the provisions of this endorsement become applicable, such provisions:

(1) Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and

(2) Remain applicable unless we notify you of changes in these provisions, in response to federal law.

c. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

2. The following definition is added and applies under this endorsement wherever the term terrorism is shown in italics.

"*Terrorism*" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

(1) Use or threat of force or violence; or

(2) Commission or threat of a dangerous act; or

(3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

(1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

(2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

B. The Property Coverage Form is amended as follows:

1. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

- a. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
- c. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
- e. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item 1e, the immediately preceding paragraph describes the threshold used to measure the

magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

2. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If *terrorism* results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverages or endorsements that apply to those coverages.

3. Application Of Other Exclusions

When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph 1a or 1b, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.

C. The Business Liability and Medical Expenses Coverage Form is amended as follows:

1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage, is shown in italics:

"Any injury or damage" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to *bodily injury, property damage, personal injury, advertising injury or personal and advertising injury*, as may be defined under this Coverage Form or any applicable endorsement.

2. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

- a. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
- c. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
- e. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
- f. Fifty or more persons sustain death or serious physical injury. For the purposes

of this provision, serious physical injury means:

- (1) Physical injury that involves a substantial risk of death; or
- (2) Protracted and obvious physical disfigurement; or
- (3) Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph 2e or 2f are exceeded.

With respect to this Exclusion, Paragraphs 2e and 2f describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

- D. The following provision is added to the Bis-Pak® Property Coverage Form and the Bis-Pak® Business Liability and Medical Expenses Coverage Form:

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph B2)
applies to property located in the following states:

Illinois
Iowa
Maine
Missouri
Wisconsin

SNOW PLOW PRODUCTS - COMPLETED OPERATIONS HAZARD
COVERAGE

CB-1416(1-10)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following exception is added to Exclusion 1g Aircraft, Auto or Watercraft:

This exclusion does not apply to *bodily injury* or *property damage* that:

- (a) Is included in the *products-completed operations hazard*; and
- (b) Arises out of the use of any *auto* for snow or ice removal operations.

EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR
PERSONAL INFORMATION AND DATA-RELATED LIABILITY -
WITH LIMITED BODILY INJURY EXCEPTION

CB-1504(5-14)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL
EXPENSES COVERAGE FORM

A. Exclusion 1s is replaced by the following:

This insurance does not apply to:

s. Access Or Disclosure Of Confidential Or
Personal Information And Data-related Li-
ability

- (1) Damages, other than damages because of *personal and advertising injury*, arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph (1) or (2) above.

However, unless paragraph (1) above applies, this exclusion does not apply to damages because of *bodily injury*.

As used in this exclusion, electronic data

means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications soft- ware), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer soft- ware which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

B. The following is added to Exclusions 1p:

This insurance does not apply to:

p. Personal And Advertising Injury

Personal and advertising injury:

Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

EQUIPMENT BREAKDOWN COVERAGE

CB-7155(11-13)

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

- A. The following is added to paragraph 3, Covered Causes of Loss under Property Coverages. The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described below.

Additional Coverage Equipment Breakdown

1. We will pay for direct physical damage to Covered Property that is the direct result of an *accident*.
2. The following coverages also apply to the direct result of an *accident*. These coverages do not provide additional amounts of insurance.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or replacement.

The most we will pay for loss or expense under this coverage is \$50,000.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a *hazardous substance*. This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of *perishable goods* by refrigerant, including but not limited to ammonia, which is addressed in 2c(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no *hazardous substance* been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

c. Spoilage

- (1) We will pay:

- (a) For physical damage to *perishable goods* due to spoilage;
- (b) For physical damage to *perishable goods* due to contamination from the release of refrigerant, including but not

limited to ammonia;

- (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If you are unable to replace the *perishable goods* before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the *perishable goods* at the time of the *accident*, less discounts and expenses you otherwise would have had. Otherwise, our payment will be determined in accordance with the Loss Payment and Valuation Property Loss Condition.

The most we will pay for loss, damage or expense under this coverage is \$50,000.

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost *electronic data*.

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

e. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an *accident* to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of *covered equipment* except that it is not Covered Property.

- (2) The most we will pay in any *one accident* for loss, damage or expense under this coverage is the

applicable limit for Business Income, Extra Expense or Spoilage.

f. Business Income and Extra Expense

Any insurance provided under this policy for Business Income or Extra Expense is extended to the coverage provided by this endorsement.

The most we will pay for loss or expense is the applicable limit for Business Income and Extra Expense.

B. The following is added to the Property Exclusions section:

Equipment Breakdown Exclusions

All exclusions in the Deluxe Bis-Pak® Property Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

1. The following exclusions are modified:

a. The following is added to Property Exclusion 1g:

However, if electrical *covered equipment* requires drying out because of Water, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

b. As respects this endorsement only, the last paragraph of Property Exclusion 2l is replaced by the following:

But, if an excluded cause of loss that is listed in 2l(1) through 2l(7) results in an *accident*, we will pay for the loss or damage caused by that *accident*.

c. The following is added to Property Exclusions 2m and 2n:

We will also pay for direct physical loss or damage caused by an *accident*.

2. The following exclusions are added:

a. We will not pay under this endorsement for loss or damage caused by or resulting from:

(1) Any hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

(2) Any of the following:

(a) Defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or

involving *electronic data* of any kind; or

(b) Misalignment, miscalibration, tripping offline, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an *accident* results, we will pay for the resulting loss, damage or expense caused by that *accident*.

b. With respect to Service Interruption coverage, we will also not pay for an *accident* caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as provided for in E1c below); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.

d. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an *accident*: Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is *perishable goods*, to the extent that spoilage is covered under Spoilage coverage.

e. We will not pay for any loss or damage to animals.

C. The following applies to the Property Limits of Insurance section:

The most we will pay for loss, damage or expense under this endorsement arising from any *one accident* is the applicable Limit of Insurance in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.

D. The following Conditions are added:

1. Suspension

When any *covered equipment* is found to be in, or exposed to, a dangerous condition,

any of our representatives may immediately suspend the insurance against loss from an *accident* to that *covered equipment*. This can be done by mailing or delivering a written notice of suspension to:

- a. Your last known address; or
- b. The address where the *covered equipment* is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that *covered equipment*. If we suspend your insurance, you will get a pro rata refund of premium for that *covered equipment* for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is *covered equipment* under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If *covered equipment* requires replacement due to an *accident*, we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced.

However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which Actual Cash Value applies. This condition does not increase any of the applicable limits.

E. The following definitions are added:

1. "*Accident*" means a fortuitous event that causes direct physical damage to *covered equipment*. The event must be one of the following:
 - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. Loss or damage to steam boilers,

steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or

- e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. "*Covered equipment*" means Covered Property:

- a. That generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
- b. Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

As respects this endorsement only, Covered Property includes machinery and equipment that are part of the building or structure at the premises described in the Declarations which you occupy but do not own for which you have a contractual responsibility to maintain, repair, or replace.

Covered equipment may utilize conventional design and technology or new or newly commercialized design and technology.

None of the following is *covered equipment*:

- a. Structure, foundation, cabinet, or compartment;
- b. Insulating or refractory material;
- c. Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- d. Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- e. *Vehicle* or any equipment mounted on a *vehicle*;
- f. Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- g. Dragline, excavation or construction equipment; or
- h. Equipment manufactured by you for sale.

3. "*Hazardous substance*" means any substance that is hazardous to health or that has been declared to be hazardous to health by a governmental agency.

4. "*One accident*" means if an initial *accident* causes other *accidents*, all will be considered *one accident*. All *accidents* that are the result of the same event will be considered *one accident*.

5. "*Perishable goods*" means personal property maintained under controlled conditions

for its preservation and susceptible to loss or damage if the controlled conditions change.

6. "*Vehicle*" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. *Vehicle* includes, but is not limited to, car, truck, bus, trailer, train, air-

craft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a *vehicle*.

ACUITY ENHANCEMENTS - PROPERTY COVERAGES

CB-7266(8-15)

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

- A. The first paragraph of 1b under Property Coverages is replaced by the following:
 - b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,000 feet of the described premises, including:
- B. Item 2e of Property Not Covered under Property Coverages is replaced by the following:
 - e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than *stock* of trees, shrubs or plants), all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage.
- C. Paragraph (4) of the Debris Removal Additional Coverage is replaced by the following:
 - (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach, but will never exceed, the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.
- D. The last paragraph of the Pollutant Clean Up and Removal Additional Coverage is replaced by the following:

The most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.
- E. Item c(2) under Preservation of Property Additional Coverage is replaced by the following:

- (2) Only if the loss or damage occurs within 90 days after the property is first moved.
- F. The Fire Department Service Charge Additional Coverage is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

 - (1) Assumed by contract or agreement prior to loss; or
 - (2) Required by local ordinance.
- G. The Business Income and Extra Expense Additional Coverage is revised as follows:
 - 1. The first paragraph of item (3) is replaced by the following:

We will pay necessary Extra Expense you incur during the *period of restoration* that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.
 - 2. Paragraph (5) is replaced by the following:
 - (5) We will only pay for Loss of Business Income or Extra Expense that you sustain during the *period of restoration* and that occurs within 24 consecutive months after the date of direct physical loss or damage. Items (1) through (5) of this Additional Coverage are not subject to the Limits of Insurance.
 - 3. Paragraph (6)(b)(ii) is replaced by the following:
 - (ii) Sixty consecutive days after the date determined in (a) above.
- H. The last paragraph of Forgery and Alteration Additional Coverage is replaced by the following:
 - (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$25,000, unless a higher Limit of Insurance is shown in the Declarations.
- I. The Fire Extinguisher Systems Recharge Expense Additional Coverage is revised as follows:
 - 1. Paragraph (1)(a) is replaced by the following:
 - (a) The cost of recharging or replacing, whichever is less, your fire extinguishers

and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises; and

2. Paragraph (3) is replaced by the following:

(3) (a) We will pay the actual cost of recharging or replacing your fire extinguishers and your fire extinguishing systems.

(b) The most we will pay under this Additional Coverage for the loss or damage to Covered Property is \$25,000 in any one occurrence.

J. The following Additional Coverages are added:

1. Reward for Information Leading to Conviction

We will pay up to \$25,000 to any individual or organization for information leading to a crime conviction in connection with loss or damage to covered property caused by or resulting from a Covered Cause of Loss. This amount is the most we will pay, regardless of the number of persons or organizations involved in providing information.

No deductible applies to this Additional Coverage.

2. Cost to Prepare Inventory

We will pay up to \$5,000 for reasonable expenses, for the taking of inventory and appraisals, incurred by you at our request to assist us in the determination of the amount of a covered loss.

We do not pay for:

- a. Any expense incurred under the Property Loss Conditions, Appraisals; or
- b. Any public adjusters' fees.

3. Fine Arts Coverage

We will pay for direct physical loss of or damage to fine arts which are not covered by insurance purchased specifically for the item caused by or resulting from any Covered Cause of Loss.

We do not pay for fine arts that are on display at fairgrounds or at a national or international exposition.

We do not pay for loss or damage to fine arts caused by or that results from:

- a. A process to repair, retouch, restore, adjust, service or maintain the covered fine arts. If a fire or explosion results, we do not cover the loss caused by the fire or explosion.
- b. The gradual accumulation of dust, dirt or pollutants.

- c. Breakage of art glass windows, statuary, marble works of art, glassware, bric-a-brac, porcelains or similar fragile items unless it is caused by a *specified causes of loss*.

The most we will pay under this additional coverage is \$5,000.

Fine arts includes paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, marble and bronze works of art and similar property of rarity, historical value or artistic merit.

4. Lock Replacement

We will cover your costs to repair or replace door locks or tumblers of your described premises because of theft or loss of your door keys. The most we will pay under this additional coverage is \$5,000 in any one occurrence.

No deductible applies to this Additional Coverage.

5. Off-Premises Utility Failure

We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of utility services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises.

a. Water Supply Services

Pumping stations and water mains supplying water to the described premises.

b. Communication Supply Services

Property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (1) Communication transmission lines, including optic fiber transmission lines;
- (2) Coaxial cables; and
- (3) Microwave radio relays except satellites.

Communication supply services does not include overhead transmission lines.

c. Power Supply Services

- (1) Utility generating plants;
- (2) Switching stations;
- (3) Substations;
- (4) Transformers; and
- (5) Transmission lines;

supplying electricity, steam or gas to the described premises.

Power supply services does not include overhead transmission lines.

The most we will pay for this additional coverage is \$25,000.

6. Ordinance or Law Coverage

a. Application of Coverage

The coverage provided applies only if both (1) and (2) are satisfied.

(1) The ordinance or law:

- (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (b) Is in force at the time of loss.

But coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.

(2) The building sustains direct physical damage:

- (a) That is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (b) That is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (c) But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage even if the building has also sustained covered direct physical damage.

b. We will not pay under Coverage A, Coverage B or Coverage C for:

- (1) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by *pollutants* or due to the presence, growth, or proliferation, spread of any activity of *fungi*, wet or dry rot or bacteria; or

- (2) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of *pollutants*, *fungi*, wet or dry rot or bacteria.

c. Coverage

(1) Coverage A - Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

(2) Coverage B - Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(3) Coverage C - Increased Cost of Construction Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (a) Repair or reconstruct damaged portions of that building; and/or
- (b) Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

When the increased cost is a consequence of enforcement of the minimum requirement of the ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

d. Coverage Amounts

(1) Ordinance or Law Coverage Amount

The most we will pay, for the total of all covered loss for Coverage A, Coverage B, and Coverage C combined is the lesser of \$50,000 or 33% of the building amount. This blanket coverage amount applies separately to each building described in the Declarations. This coverage amount does not include loss due to *Green* requirements.

(2) Green Ordinance or Law Coverage Amount

The most we will pay for Ordinance or Law due to *Green* requirements for the total of all covered loss for Coverage A, Coverage B, and Coverage C combined is \$30,000. This blanket coverage amount applies separately to each building described in the Declarations.

e. Loss Payment

Subject to the coverage amounts in Section d Coverage Amounts above, the following loss payment provisions apply:

- (1) When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- (a) If the property is repaired or replaced, on the same or another premises we will not pay more than the amount you actually spend to repair, rebuild or reconstruct the building but not for more than the amount it would cost to restore the building on the same premises and of the same heights, floor area, style and comparable quality of the original property insured; or
- (b) If the property is not repaired or replaced, we will not pay more than the actual cash value of the building at the time of loss.

- (2) Under Coverage B, we will not pay more than the amount you actually

spend to demolish and clear the site of the described premises.

(3) With respect to Coverage C:

- (a) We will not pay under Coverage C:

- (i) Until the property is actually repaired or replaced, at the same or another premises; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for under Coverage C is the increased cost of construction at the new premises.

- f. Under this coverage, we will not pay for loss due to any ordinance or law that:

- (1) You were required to comply with before the loss, even if the building was undamaged; and
- (2) You failed to comply with.

- g. No deductible applies to this Additional Coverage.

- h. Item g of Property Loss Condition 5, Loss Payment and Valuation, does not apply to this coverage.

- i. This coverage is excess over any coverage available to you under the Ordinance or Law Coverage endorsement, if applicable.

- j. The following definitions are added to Property Definitions:

- (1) "*Green*" means enhanced energy efficiency or use of environmentally-preferable sustainable materials, products or methods in design, construction, manufacture or operation, as recognized by a *Green Standards-setter*.

- (2) "*Green Standards-setter*" means an

organization or governmental agency which produces and maintains guidelines related to *Green* products and practices. *Green Standards-setters* include but are not limited to:

- (a) The Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council;
- (b) ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
- (c) Green Globes™, program of the Green Building Initiative.

7. Portable Tools

We will pay for direct physical loss of or damage to covered portable tools caused by or resulting from a Covered Cause of Loss. For the purposes of this additional coverage, a covered portable tool is one that is:

- a. Owned by you and used in your business;
- b. Rented or leased to you or on your behalf if in your care, custody or control and used in your business;
- c. Borrowed by you or on your behalf while in your care, custody or control and used in your business; and
- d. Owned by an employee of yours while being used in your business or in your care, custody or control.

We will determine the value of covered portable tools at the cost of replacement as of the time of loss or damage.

The most we will pay under this additional coverage is \$5,000, but not more than \$500 per tool.

The limitation for Business Personal Property located within 1,000 feet of the described premises in paragraph Ab of this endorsement does not apply to this Additional Coverage.

8. Security After Loss

We will pay up to \$10,000 for the cost of a security service approved by us that is used to protect Covered Property at the described premises after a covered loss, if we determine it is necessary.

K. With respect to the Fine Arts and Portable Tools Additional Coverages the following apply:

- 1. Item 3, Covered Causes of Loss, under Property Coverages is replaced by the following:

Risks of Direct Physical Loss unless the loss is excluded in K2 of this endorsement.

- 2. The Property Exclusions Section is replaced by the following:

- a. We do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as or after the excluded causes or events.

(1) Civil Authority

We do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction or quarantine of property.

We do pay for loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a cause of loss excluded under this coverage.

(2) Nuclear Hazard

We do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation or radioactive contamination, however caused. Loss caused by nuclear hazard is not considered loss caused by fire, explosion or smoke. We do pay for direct loss by fire resulting from the nuclear hazard.

(3) War

We do not pay for loss caused by war. This means declared war, undeclared war, civil war, insurrection, rebellion or revolution; a warlike act by a military force or by military personnel; the destruction, seizure or use of the property for a military purpose; or the discharge of a nuclear weapon even if it is accidental.

- b. We do not pay for loss or damage if one or more of the following exclusions apply to the loss.

(1) Dishonesty

We do not pay for loss caused by or resulting from criminal, fraudulent, dishonest or illegal acts alone or in collusion with another by you; others who have an interest in the property; others to whom you entrust the property; your partners, officers, directors, trustees or joint adventurers; or the employees of agents

of any of the above, whether or not they are at work.

This exclusion does not apply to acts of destruction by your employees, but we do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

(2) Deterioration, Fault or Weakness

We do not pay for deterioration; decay; or any quality, fault or weakness in the covered property that causes it to damage or destroy itself. This exclusion does not apply to loss caused by *mechanical breakdown*.

(3) Lease Terms

We do not pay for loss caused by a covered cause of loss for which you are not responsible under the terms of any lease or rental agreement.

(4) Loss of Use

We do not pay for loss caused by or resulting from loss of use, business interruption, delay or loss of market.

This exclusion does not apply to Extra Expense coverage as provided under Additional Coverages.

(5) Temperature, Humidity, Corrosion or Rust

We do not pay for loss caused by corrosion, rust, humidity, dampness, dryness or changes in or extremes of temperature.

(6) Mysterious disappearance

(7) Wear and tear

c. We do not pay for extra expenses that you incur if one or more of the following exclusions apply.

(1) Error or Omission

We do not pay for extra expense caused by error or omission in programming or incorrect instructions to *hardware*.

(2) Leases, Licenses, Contracts or Orders

We do not pay for any increase in extra expenses due to the suspension, lapse or cancellation of leases, licenses, contracts or orders. However, we do cover loss during the *restoration period* if the

suspension, lapse or cancellation results directly from the interruption of your *operations*.

L. The second paragraph of the Property Extensions of Coverage Section is replaced by the following:

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

M. The last paragraph of Item b, Business Personal Property, of the Newly Acquired or Constructed Extension of Coverage is replaced by the following:

The most we will pay for loss or damage under this extension is \$250,000 at each building.

N. Paragraph b of the Personal Effects and Property of Others Extension of Coverage is replaced by the following:

b. The most we will pay for loss or damage under this extension is \$15,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

O. The Property Off-Premises Extension of Coverage is replaced by the following:

a. You may extend the insurance provided by this policy to apply to your Covered Property, other than *money* and *securities, valuable papers and records*, accounts receivable or *computers*, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this extension is \$25,000. This extension does not apply to Covered Property in or on a vehicle.

b. However, under this extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

P. The Property in Transit Extension of Coverage is replaced by the following:

You may extend the insurance that applies to Business Personal Property, other than *computers*, to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

The most we will pay for loss or damage under this extension is \$25,000. However, under this extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

Q. The Outdoor Property Extension of Coverage is replaced by the following:

- a. You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than *stock* of trees, shrubs or plants), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

- b. The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$1,000 for any one tree, shrub or plant.

R. Item c under the Valuable Papers Coverage Extension is replaced by the following:

- c. The most we will pay under this Coverage Extension for loss or damage to *valuable papers and records* in any one occurrence at the described premises is \$100,000 unless a higher Limit of Insurance for *valuable papers and records* is shown in the Declarations.

For *valuable papers and records* not at the described premises the most we will pay is \$5,000.

S. Item b of the Accounts Receivable Extension of Coverage is replaced by the following:

- b. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$100,000, unless a higher Limit of Insurance for Accounts Receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

T. The following Extensions of Coverage are added:

1. Off-Premises Electronic Data Storage

You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to duplicate and back-up *electronic data* which are stored at a premises where you do not conduct *operations* with the *electronic data* and which is not covered under any other coverage form. The most we pay for loss to *electronic data* at any one storage location is \$25,000.

2. Power Failure and Changes in Temperature or Humidity

You may extend the insurance that applies to your Business Personal Property to pay for loss or damage to that property that results from an interruption of power or a change in temperature or humidity caused by physical damage to equipment used for refrigerating, air conditioning, cooling, dehumidifying, heating, generating or converting power (including connections, supply or transmission lines and pipes), at the described premises. This extension applies only if loss or damage is caused by a Covered Cause of Loss.

The most we will pay for loss or damage under this extension is \$25,000.

U. The Outdoor Signs Optional Coverage applies to your policy. The most we will pay for loss or damage in any one occurrence is \$10,000.

V. The Employee Dishonesty Optional Coverage applies to your policy. The most we will pay for loss or damage in any one occurrence is \$10,000, unless a higher Limit of Insurance is shown in the Declarations.

W. Item a of the definition of Period of Restoration is replaced by the following:

- a. Begins immediately after the time of direct physical loss or damage for Business Income and Extra Expense coverage caused by or resulting from any Covered Cause of Loss at the described premises; and

ACUITY ENHANCEMENTS - LIABILITY COVERAGES

CB-7268(8-15)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

A. Increased Bail Bond Amount

Paragraph 1f(1)(b) under Liability and Medical Expenses Coverages is replaced by the following:

- (b) Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for *bodily injury* applies. We do not have to furnish these bonds.

B. Increased Reasonable Expenses Incurred by Insured

Paragraph 1f(1)(d) under Liability and Medical Expenses Coverages is replaced by the following:

- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or *suit*, including actual loss of earnings up to \$350 a day because of time off from work.

C. Newly Acquired Organizations

Paragraph 3a under Who Is An Insured is replaced by the following:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

D. Tenants Legal Liability

Paragraphs (1), (3) and (4) of the Damage to Property Exclusion do not apply to *property damage* (other than damage by fire or explosion) to premises, including the contents of such premises, rented to you for a period of 8 or more consecutive days.

The most we will pay under this coverage for damages because of property damage to any one premises is \$10,000. A \$250 deductible applies.

E. Knowledge of Claim or Suit

The following is added to the Duties in the Event of Occurrence, Offense, Claim or Suit Condition:

Knowledge of an *occurrence*, offense, claim or *suit* by an agent or *employee* of any insured shall not in itself constitute knowledge of the insured unless your partners, *executive officers*, directors, managers, members or a person who has been designated by them to receive reports of *occurrences*, offenses, claims or *suits* shall have received such notice from the agent or *employee*.

F. Broadened Bodily Injury

The definition of *bodily injury* is amended to include mental anguish.

G. Unintentional Failure to Disclose Hazard

The following is added to the Representations Condition in the Bis-Pak® Common Policy Conditions:

Based on our dependence upon your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we will not reject Liability coverage under this policy based solely on such failure.

H. Waiver of Subrogation for Written Contracts

The following is added to the Transfer of Rights of Recovery Against Others to Us Condition under 2 Applicable to Liability Coverage in the Bis-Pak® Common Policy Conditions:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or *your work* done under a contract with that person or organization and included in the *products-completed operations hazard*. The waiver applies only to a person or organization with whom you have a written contract or agreement in which you are required to waive rights of recovery under this policy. Such contract or agreement must have been executed prior to the *occurrence* causing injury or damage.

I. Electronic Data Liability

1. Exclusion 1s is replaced by the following:

This insurance does not apply to:

s. Access or Disclosure of Confidential or Personal Information and Data-related Liability

- (1) Damages, other than damages because of *personal and advertising injury*, arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate *electronic data* that does not result from physical injury to tangible property.

This exclusion applies even if damages

are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph (1) or (2) above.

However, unless paragraph (1) above applies, this exclusion does not apply to damages because of *bodily injury*.

2. The following paragraph is added to Liability and Medical Expenses Limits of Insurance:

Subject to 2 above, \$10,000 is the most we will pay for *property damage* because of all loss of *electronic data* arising out of any one *occurrence*.

3. The following definition is added to Liability and Medical Expenses Definitions:

"*Electronic data*" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

4. For the purposes of this coverage, the definition of "*property damage*" is replaced by the following:

"*Property damage*" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it;
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the *occurrence* that caused it; or
- c. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate *electronic data*, resulting from physical injury to tangible property. All such loss of *electronic data* shall be deemed to occur at the time of the *occurrence* that caused it.

For the purposes of this coverage, *electronic data* is not tangible property.

J. Employee Benefits Liability Coverage

1. The following is added to Liability and Medical Expenses Coverages:

Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this coverage applies. We will have the right and duty to defend the insured against any *suit* seeking those damages. However, we will have no duty to defend the insured against any *suit* seeking damages to which this coverage does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any *claim* or *suit* that may result. But:

- (1) The amount we will pay for damages is limited as described in paragraph 5 of this coverage; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This coverage applies to damages only if:

- (1) The act, error or omission, is negligently committed in the *administration* of your *employee benefit program*;
- (2) The act, error or omission, did not take place before the original inception date of this coverage nor after the end of the policy period; and
- (3) A *claim* for damages, because of an act, error or omission, is first made against any insured, in accordance with paragraph c below, during the policy period or an Extended Reporting Period we provide under paragraph 6 of this coverage.

- c. A *claim* seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such *claim* is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with paragraph a above.

A *claim* received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the "claim".

- d. All *claims* for damages made by an *employee* because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such *employee's* dependents and beneficiaries, will be deemed to have been made at the time the first of those *claims* is made against any insured.

Exclusions

This coverage does not apply to:

- a. Dishonest, Fraudulent, Criminal Or Malicious Act
Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.
- b. Bodily Injury, Property Damage, Or Personal And Advertising Injury
Bodily injury, property damage or personal and advertising injury.
- c. Failure To Perform A Contract
Damages arising out of failure of performance of contract by any insurer.
- d. Insufficiency Of Funds
Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the *employee benefit program*.
- e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation
Any *claim* based upon:
 - (1) Failure of any investment to perform;
 - (2) Errors in providing information on past performance of investment vehicles; or
 - (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the *employee benefit program*.
- f. Workers' Compensation And Similar Laws
Any *claim* arising out of your failure to comply with the mandatory provisions of any workers' compensation, unem-

ployment compensation insurance, social security or disability benefits law or any similar law.

- g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

- h. Available Benefits

Any *claim* for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

- i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

- j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

- 2. For the purposes of the coverage provided:

- a. All references to Supplementary Payments are replaced by Supplementary Payments and Employee Benefits Liability.
- b. Paragraphs f(1)(b), f(2) and f(3) Coverage Extension - Supplementary Payments do not apply.

- 3. For the purposes of the coverage provided, paragraphs 2 and 4 under Who Is An Insured are replaced by the following:

- 2. Each of the following is also an insured:

- a. Each of your *employees* who is or was authorized to administer your *employee benefit program*.
- b. Any persons, organizations or *employees* having proper temporary authorization to administer your *employee benefit program* if you die, but only until your legal representative is appointed.
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this coverage.

- 4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a

Named Insured if no other similar insurance applies to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
- b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

4. For the purposes of the coverage provided, the Liability And Medical Expenses Limits Of Insurance Section is replaced by the following:

Limits Of Insurance

- a. The Limits of Insurance shown in d below and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) *Claims* made or *suits* brought;
 - (3) Persons or organizations making *claims* or bringing *suits*;
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your *employee benefits program*.
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the *administration* of your *employee benefit program*.
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one *employee*, including damages sustained by such *employee's* dependents and beneficiaries, as a result of:
 - (1) An act, error or omission; or
 - (2) A series of related acts, errors or omissions negligently committed in the *administration* of your *employee benefit program*.

However, the amount paid under this coverage shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the *employee benefit program*.

- d. Limits of Insurance

Each Employee Limit: \$250,000

Aggregate Limit: \$250,000

The Limits of Insurance of this coverage apply separately to each consecutive an-

nual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this coverage is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in e below as applicable to Each Employee. The Limits of Insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in e below applies to all damages sustained by any one *employee*, including such *employee's* dependents and beneficiaries, because of all acts, errors or omissions to which this coverage applies.
- c. The terms of this coverage, including those with respect to:
 - (1) Our right and duty to defend any *suits* seeking those damages; and
 - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or *claim*
 apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any *claim* or *suit* and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- e. Deductible
Each Employee Deductible: \$1,000
5. For the purposes of the coverage provided, Duties In The Event Of Occurrence, Of-fense, Claim Or Suit Condition is replaced by the following:
 2. Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit
 - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a *claim*. To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and

- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
 - b. If a *claim* is made or *suit* is brought against any insured, you must:
 - (1) Immediately record the specifics of the *claim* or *suit* and the date received; and
 - (2) Notify us as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *claim* or *suit*;
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the *claim* or defense against the *suit*; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this coverage may also apply.
 - d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
 - e. The requirements to notify us can be satisfied by notifying our agent. Notice can be by any means of communication.
6. For the purposes of the coverage provided, the following Extended Reporting Period provisions are added:

EXTENDED REPORTING PERIOD

- a. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - (1) This coverage is canceled or not renewed; or
 - (2) We renew or replace this coverage with insurance that:
 - (a) Has an inception date later than the original inception date of this coverage; or
 - (b) Does not apply to an act, er-

ror or omission on a claims-made basis.

- b. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to *claims* for acts, errors or omissions that were first committed before the end of the policy period but not before the original inception date of this coverage. Once in effect, the Extended Reporting Period may not be canceled.
- c. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- (1) The *employee benefit programs* insured;
- (2) Previous types and amounts of insurance;
- (3) Limits of Insurance available under this coverage for future payment of damages; and
- (4) Other related factors.

The additional premium will not exceed \$100.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the coverage afforded for *claims* first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period.

- d. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in 4d of this coverage under Limits of Insurance.

Paragraph 4b of this coverage will be amended accordingly. The Each Em-

ployee Limit shown in 4d will then continue to apply as set forth in paragraph 4c.

7. For the purposes of the coverage provided, the following definitions are added to Liability And Medical Expenses Definitions:

a. "*Administration*" means:

- (1) Providing information to *employees*, including their dependents and beneficiaries, with respect to eligibility for or scope of *employee benefit programs*;
- (2) Handling records in connection with the *employee benefit program*; or
- (3) Effecting, continuing or terminating any *employee's* participation in any benefit included in the *employee benefit program*.

However, *administration* does not include handling payroll deductions.

- b. "*Cafeteria plans*" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
- c. "*Claim*" means any demand, or *suit*, made by an *employee* or an *employee's* dependents and beneficiaries, for damages as the result of an act, error or omission.
- d. "*Employee benefit program*" means a program providing some or all of the following benefits to *employees*, whether provided through a *cafeteria plan* or otherwise:

- (1) Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an *employee* may subscribe to such benefits and such benefits are made generally available to those *employees* who satisfy the plan's eligibility requirements;
- (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an *employee* may subscribe to such benefits and such benefits are made generally available to all employees who are eligible under the plan for such benefits;
- (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- (4) Vacation plans, including buy and

sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and

- (5) Any other similar benefits added thereto by endorsement.

8. For the purposes of the coverage provided, the following Definitions in the Liability And Medical Expenses Definitions Section are replaced by the following:

a. "*Employee*" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. *Employee* includes a *leased worker*. *Employee* does not include a *temporary worker*.

b. "*Suit*" means a civil proceeding in which damages because of an act, error or omission to which this coverage applies are alleged. *Suit* includes:

- (1) An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

9. The Bis-Pak® Common Policy Conditions are amended as follows:

For the purposes of the coverage provided, paragraph H3 Other Insurance is replaced by the following:

3. This Employee Benefits Liability Coverage is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations and that applies to an act, error or omission on other than a claims-made basis, if the other insurance has a policy period which continues after the original inception date of this coverage.

K. Voluntary Property Damage

1. With respect to the insurance provided under this coverage, the following apply:

a. Exclusion 1k(4) is replaced by the following:

(4) Personal property of others:

(a) Held by the insured for servicing, repair, storage or sale at premises owned, occupied or rented to the insured.

(b) Caused by the ownership, maintenance, use, loading or

unloading of any auto, watercraft, or transportation of property by any means.

- b. Exclusion 1k(5) is deleted.
- 2. The insurance provided by this coverage is subject to the following provisions:
 - a. We will pay for *property damage* at your request even if you are not legally liable, if it is otherwise subject to this coverage.
 - b. *Property damage* does not include loss of use if personal property of others is not physically injured.
 - c. Limits

The most we will pay for an *occurrence* under this coverage is \$2,500.

The most we will pay for the sum of all amounts paid under this coverage is an aggregate of \$2,500.

The Liability and Medical Expenses Limit and the Aggregate Limits do not apply to the insurance provided under this coverage.
 - d. Settlement

If you make any repairs to damaged property, at our request, we will pay the larger of your actual cost or 75% of your usual charge for the necessary labor and materials. Any property paid for or replaced by us may become our property at our option. Any payment

made under this coverage shall not be interpreted as an admission of liability by the insured or the company.

- e. Deductible

Our obligation to pay for a covered loss applies only to the amount of loss in excess of \$100.
- f. Other Insurance

The insurance provided by this coverage is excess over any other insurance carried by the insured which applies to a loss covered by this coverage.

L. Increased Limits of Insurance

1. The General Aggregate Limit is increased to three times the Liability and Medical Expenses Limit if your current Liability and Medical Expenses Limit is equal to \$500,000 or \$1,000,000.
2. The Products-Completed Operations Aggregate Limit is increased to three times the Liability and Medical Expenses Limit if your current Liability and Medical Expenses Limit is equal to \$500,000 or \$1,000,000.
3. The Damage To Premises Rented To You Limit is increased to \$250,000.
4. The Medical Expense Limit is increased to \$10,000.

The Limits of Insurance shown here do not replace and are not in addition to the Limits of Insurance shown in the Declarations.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

CB-7297(1-15)

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART

A. The following provisions are added and apply to Property and Liability Coverages if applicable:

1. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

B. The following provisions are added to the Deluxe Bis-Pak® Property Coverage Form:

1. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a *certified act of terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

2. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph B1 applies only if indicated and as indicated in the Schedule of this endorsement.

If a *certified act of terrorism* results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under the Business Income and Extra Expense Additional Coverage.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

C. The following provision is added to the Bis-Pak® Business Liability and Medical Expenses Coverage Form:

1. The following exclusion is added:

This insurance does not apply to:

TERRORISM

Any injury or damage arising, directly or indirectly, out of a *certified act of terrorism*.

2. The following definition is added:

For the purposes of this endorsement, *"any injury or damage"* means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury* as may be defined in any applicable Coverage Form.

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph B2) applies to property located in the following states, if covered under the Bis-Pak® Coverage Part:

States

Illinois

Iowa

Maine

Missouri

Wisconsin

TENTATIVE RATE

CB-7371(11-13)

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK[®] PROPERTY COVERAGE FORM

The rates used in the development of the premium for the Bis-Pak[®] Coverage Part are tentative. We will adjust the premium effective from the inception date

of this Coverage Part once the rates are promulgated. If this is a renewal of a policy previously issued by us, we will adjust the premium effective from the renewal date of this Coverage Part once the rates are promulgated.

MANUFACTURERS' ADDITIONAL PROVISIONS

CB-7380(11-13)

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

1. The following are added to Property Coverages, Additional Coverage 5g, Business Income and Extra Expense:
 - a. For manufacturing risks, Net Income includes the net sales value of production.
 - b. "*Finished Stock*" means stock you have manufactured. *Finished stock* includes alcoholic products being aged. *Finished stock* does not include stock you have manufactured that is held for sale on the premises

of any retail outlet insured under this Coverage Part.

2. The following exclusion applies to Property Coverages, Additional Coverage 5g, Business Income and Extra Expense:

We will not pay for any loss caused by or resulting from:

- a. Damage or destruction of *finished stock*; or
- b. The time required to reproduce *finished stock*.

This exclusion does not apply to Extra Expense.

EXCLUSION - UNMANNED AIRCRAFT

CB-7406(6-15)

This endorsement modifies insurance provided under the following:

BIS-PAK® LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

A. Exclusion 1g is replaced by the following:

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

Bodily injury, property damage, or personal and advertising injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*. Use includes operation and *loading or unloading*.

This paragraph g(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury, property damage, or personal and advertising injury* involved the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*.

This paragraph g(1) does not apply to:

- a. The use of another's advertising idea in your *advertisement*; or
- b. Infringing upon another's copyright trade dress or slogan in your *advertisement*.

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

Bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than *unmanned aircraft*), *auto* or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and *loading or unloading*.

This paragraph g(2) applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership,

maintenance, use or entrustment to others of any aircraft (other than *unmanned aircraft*), *auto* or watercraft that is owned or operated by or rented or loaned to any insured.

This paragraph g(2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
 - (i) Less than 51 feet long; and
 - (ii) Not being used to carry persons or property for a charge;
- (c) Parking an *auto* on, or on the ways next to, premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (e) *Bodily injury or property damage* arising out of:
 - (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
 - (ii) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

B. The following definition is added to the Liability and Medical Expenses Definitions section:

"Unmanned aircraft" means an aircraft that is not:

1. Designed;
2. Manufactured; or
3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

CIVIL AUTHORITY CHANGE

CB-7410(8-15)

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

Paragraph 5h(1) Civil Authority under Property Coverages is replaced by the following:

h. Civil Authority

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within the area.

ASBESTOS EXCLUSION

IL-7012(3-14)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSE
COVERAGE FORM

COMMERCIAL AUTO COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

DIRECTORS' AND OFFICERS' LIABILITY COVERAGE
PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART

GARAGE COVERAGE FORM

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY
COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COV-
ERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The following exclusion is added:

Asbestos

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

IDENTITY RECOVERY COVERAGE

IL-7100(1-15)

IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following Identity Recovery Coverage has been endorsed onto your liability coverage as a matter of convenience for policy issuance. The coverage and service provided under this endorsement are separate from your liability coverage. Identity Recovery Coverage is a first party coverage that inures to benefit the owners of the insured entity. Identity Recovery Coverage includes reimbursement of specified legal expenses. Such coverage is subject to the Identity Recovery coverage limit. Under Identity Recovery Coverage, we do not have a duty to defend the insured from claims or suits. The limit and deductible applicable to Identity Recovery Coverage are separate from and in addition to the limits and deductibles that apply to your liability coverage. The Common Policy Conditions apply to coverage under this Identity Recovery Coverage.

IDENTITY RECOVERY COVERAGE

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an *identity theft* involving the personal identity of an *identity recovery insured* under this policy; and
2. Such *identity theft* is first discovered by the *identity recovery insured* during the policy period for which this Identity Recovery coverage is applicable; and
3. Such *identity theft* is reported to us within 60 days after it is first discovered by the *identity recovery insured*.

If all three of the requirements listed above have been met, then we will provide the following to the *identity recovery insured*:

1. Case Management Service
Services of an *identity recovery case manager* as needed to respond to the *identity theft*; and
2. Expense Reimbursement
Reimbursement of necessary and reasonable *identity recovery expenses* incurred as a direct result of the *identity theft*.

This coverage is additional insurance.

EXCLUSIONS

The following additional exclusions apply to this coverage:

We do not cover loss or expense arising from any of the following.

1. The theft of a professional or business identity.

2. Any fraudulent, dishonest or criminal act by an *identity recovery insured* or any person aiding or abetting an *identity recovery insured*, or by any authorized representative of an *identity recovery insured*, whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an *identity recovery insured* who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
3. An *identity theft* that is not reported in writing to the police.

LIMITS

Case Management Service is available as needed for any one *identity theft* for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.

Expense Reimbursement coverage is subject to a limit of \$25,000 annual aggregate per *identity recovery insured*. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all *identity thefts* to any one *identity recovery insured* which are first discovered by the *identity recovery insured* during a 12-month period starting with the beginning of the present annual policy period. If an *identity theft* is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such *identity theft* will be subject to the aggregate limit applicable to the policy period when the *identity theft* was first discovered.

Legal costs as provided under item d. of the definition of *identity recovery expenses* are part of, and not in addition to, the Expense Reimbursement coverage limit.

Item e. (Lost Wages) and item f. (Child and Elder Care Expenses) of the definition of *identity recovery expenses* are jointly subject to a sublimit of \$5,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the *identity theft* by the *identity recovery insured*.

Item g. (Mental Health Counseling) of the definition of *identity recovery expenses* is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the *identity theft* by the *identity recovery insured*.

Item h. (Miscellaneous Unnamed Costs) of the definition of *identity recovery expenses* is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage

limit. Coverage is limited to costs incurred within 12 months after the first discovery of the *identity theft* by the *identity recovery insured*.

DEDUCTIBLE

Case Management Service and Expense Reimbursement coverage are not subject to a deductible.

CONDITIONS

The following additional conditions apply to this coverage:

A. Help Line

For assistance, the *identity recovery insured* should call the Identity Recovery Help Line at 1-866-219-0691.

The Identity Recovery Help Line can provide the *identity recovery insured* with:

1. Information and advice for how to respond to a possible *identity theft*; and
2. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an *identity recovery insured* prior to a determination that a covered *identity theft* has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered *identity theft* has not occurred.

As respects Expense Reimbursement Coverage, the *identity recovery insured* must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for *identity recovery expenses*.

B. Services

The following conditions apply as respects any services provided by us or our designees to any *identity recovery insured* under this endorsement:

1. Our ability to provide helpful services in the event of an *identity theft* depends on the cooperation, permission and assistance of the *identity recovery insured*.
2. All services may not be available or applicable to all individuals. For example, *identity recovery insureds* who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that our services will end or eliminate all problems

associated with an *identity theft* or prevent future *identity thefts*.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. "*Identity Recovery Case Manager*" means one or more individuals assigned by us to assist an *identity recovery insured* with communications we deem necessary for re-establishing the integrity of the personal identity of the *identity recovery insured*. This includes, with the permission and cooperation of the *identity recovery insured*, written and telephone communications with:
 - a. Law enforcement authorities;
 - b. Governmental agencies;
 - c. Credit agencies; and
 - d. Individual creditors and businesses.
2. "*Identity Recovery Expenses*" means the following when they are reasonable and necessary expenses that are incurred as a direct result of an *identity theft*:
 - a. Costs for re-filing applications for:
 - (1) Loans;
 - (2) Grants; or
 - (3) Other credit instruments;
 that are rejected solely as a result of an *identity theft*.
 - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an *identity theft* or amend or rectify records as to your true name or identity as a result of an *identity theft*.
 - c. Costs for credit reports from established credit bureaus.
 - d. Fees and expenses for an attorney approved by us for the following:
 - (1) The defense of any civil suit brought against an *identity recovery insured*.
 - (2) The removal of any civil judgment wrongfully entered against an *identity recovery insured*.
 - (3) Legal assistance for an *identity recovery insured* at an audit or hearing by a governmental agency.
 - (4) Legal assistance in challenging the accuracy of the *identity recovery insured's* consumer credit report.
 - (5) The defense of any criminal charges brought against an *identity recovery insured* arising from the actions of a third party using the personal identity of the *identity recovery insured*.

- e. Actual lost wages of the *identity recovery insured* for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for:

- (1) Vacation days;
- (2) Discretionary days;
- (3) Floating holidays; and
- (4) Paid personal days.

Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

- f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the *identity recovery insured* during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the *identity recovery insured*.
- g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the *identity recovery insured*.
- h. Any other reasonable costs necessarily incurred by an *identity recovery insured* as a direct result of the *identity theft*.
- (1) Such costs include:
 - (A) Costs by the *identity recovery insured* to recover control over his or her personal identity.
 - (B) Deductibles or service fees from financial institutions.

- (2) Such costs do not include:

- (A) Costs to avoid, prevent or detect *identity theft* or other loss.
- (B) Money lost or stolen.
- (C) Costs that are restricted or excluded elsewhere in this endorsement or policy.

3. "*Identity Recovery Insured*" means the following:

- a. A full time employee of the entity insured under this policy; or
- b. An owner of the entity insured under this policy who meets any of the following criteria:
 - (1) A sole proprietor of the insured entity;
 - (2) A partner in the insured entity; or
 - (3) An individual having an ownership position of 20% or more of the insured entity.

An *identity recovery insured* must always be an individual person. The entity insured under this policy is not an *identity recovery insured*.

4. "*Identity Theft*" means the fraudulent use of the social security number or other method of identifying an *identity recovery insured*. This includes fraudulently using the personal identity of an *identity recovery insured* to:

- a. Establish credit accounts;
- b. Secure loans;
- c. Enter into contracts; or
- d. Commit crimes.

Identity theft does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

All other provisions of this policy apply.

CYBER LIABILITY COVERAGE

IL-7102(9-17)

This endorsement modifies insurance provided under the following:

BIS-PAK COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Coverage under this endorsement is subject to the Schedule.

The following is added as an Additional Coverage. This form may be endorsed onto a liability coverage form as a matter of convenience for policy issuance. In such a case, the coverage and service provided under this endorsement are separate from the liability coverage. Cyber Liability Coverage includes reimbursement of specified legal expenses as well as defense and liability against certain claims, but such coverage is subject to either the Network Security Liability or Electronic Media Liability coverage limit. The limit and deductible applicable to Cyber Liability Coverage are separate from the limits and deductibles that apply to the coverage to which the endorsement attaches.

SECTION 1 - COMPUTER ATTACK AND CYBER EXTORTION**COMPUTER ATTACK COVERED CAUSE OF LOSS**

This Computer Attack coverage applies only if all of the following conditions are met:

1. There has been a *computer attack*; and
2. Such *computer attack* is first discovered by you during the policy period for which this endorsement is applicable; and
3. Such *computer attack* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

COMPUTER ATTACK - COVERAGES PROVIDED

If all three of the conditions listed above in COMPUTER ATTACK - COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages for loss directly arising from such *computer attack*.

1. Data Restoration

We will pay your necessary and reasonable *data restoration costs*.

2. Data Re-creation

We will pay your necessary and reasonable *data re-creation costs*.

3. System Restoration

We will pay your necessary and reasonable *system restoration costs*.

4. Loss of Business

We will pay your actual *business income* and *extra expense loss*.

5. Public Relations

If you suffer a covered *business income loss*,

we will pay for the services of a professional public relations firm to assist you in communicating your response to the *computer attack* to the media, the public and your customers, clients or members.

CYBER EXTORTION - COVERED CAUSE OF LOSS

This Cyber Extortion coverage applies only if all of the following conditions are met:

1. There has been a *cyber extortion threat*; and
2. Such *cyber extortion threat* is made against you during the policy period for which this endorsement is applicable; and
3. Such *cyber extortion threat* is reported to us as soon as practicable but in no event more than 60 days after the date it is first discovered by you.

CYBER EXTORTION - COVERAGE PROVIDED

If all three of the conditions listed above in CYBER EXTORTION - COVERED CAUSE OF LOSS have been met, then we will pay for your necessary and reasonable *cyber extortion expenses* arising directly from a *cyber extortion threat*. The payment of *cyber extortion expenses* must be approved in advance by us. We will not pay for *cyber extortion expenses* that have not been approved in advance by us. We will not unreasonably withhold our approval.

You must make every reasonable effort not to divulge the existence of this Cyber Extortion coverage.

SECTION 2 - NETWORK SECURITY LIABILITY**SECTION 2 - COVERED CAUSE OF LOSS**

This Network Security Liability coverage applies only if all of the following conditions are met:

1. You first receive notice of a *claim* which arises from a *network security liability incident* during the policy period for which this endorsement is applicable or any Extended Reporting Periods; and
2. Such *claim* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

SECTION 2 - COVERAGES PROVIDED

If both of the conditions listed above in SECTION 2 - COVERED CAUSE OF LOSS have been met, then we will pay on behalf of you any covered *loss* directly arising from the *claim*.

All *claims* arising from a single *network security incident* or interrelated *network security incidents* will be deemed to have been made at the time that notice of the first of those *claims* is received by you.

SECTION 3 - ELECTRONIC MEDIA LIABILITY**SECTION 3 - COVERED CAUSE OF LOSS**

This Electronic Media Liability coverage applies only if all of the following conditions are met:

1. During the policy period or any applicable Extended Reporting Period, you first receive notice of a *claim* which arises from an *electronic media incident*; and
2. Such *claim* is reported to us as soon as practicable but in no event more than 60 days after the date it is first received by you.

SECTION 3 - COVERAGES PROVIDED

If both of the conditions listed above in SECTION 3 - COVERED CAUSE OF LOSS have been met, then we will pay on your behalf any covered *loss* directly arising from the *claim*.

All *claims* arising from a single *electronic media incident* or interrelated *electronic media incidents* will be deemed to have been made at the time that notice of the first of those claims is received by you.

LIMITS APPLICABLE TO ALL SECTIONS**A. Aggregate Limits**

Except for post-judgment interest, the Aggregate Limit for each coverage section shown in the Schedule is the most we will pay for all *loss* under that coverage section in any one policy period or any applicable Extended Reporting Period. The Aggregate Limit shown in the schedule applies regardless of the number of insured events first discovered or *claims* first received during the policy period or any applicable Extended Reporting Period.

B. Coverage Sublimits**Computer Attack and Cyber Extortion Sublimits**

The most we will pay under Computer Attack for Loss of Business, Public Relations and Cyber Extortion coverages for *loss* arising from any one *computer attack* is the applicable sublimit for each of those coverages shown in the Schedule. These sublimits are part of, and not in addition to, the Computer Attack and Cyber Extortion Limit shown in the Schedule.

C. Application of Limits

1. A *computer attack* or *cyber extortion threat* may be first discovered by you in one policy period, but it may cause insured *loss* in one or more subsequent policy periods. If so, all insured *loss* arising from such *computer attack* or *cyber extortion threat* will be subject to the limit of insurance applicable to the policy period when the *computer attack* or *cyber extortion threat* was first discovered by you.
2. You may first receive notice of a *claim* in

one policy period but it may cause an insured *loss* in one or more policy periods. If so, all insured *loss* arising from such *claim* will be subject to the limit of insurance applicable to the policy period when notice of the claim was first received by you.

3. The limit of insurance for the Extended Reporting Periods (if applicable) will be part of, and not in addition to, the limit of insurance for the immediately preceding policy period.

D. Deductibles

1. We will not pay for *loss* until the amount of the insured *loss* exceeds the deductible amount shown in the Schedule. We will then pay the amount of *loss* in excess of the applicable deductible amount, subject to the applicable limits shown in the Schedule. You will be responsible for the applicable deductible amount.
2. The deductible will apply to all:
 - a. *Loss* arising from the same insured event or interrelated insured events under Computer Attack or Cyber Extortion.
 - b. *Loss* resulting from the same *wrongful act* or interrelated *wrongful acts* insured under Network Security Liability or Electronic Media Liability.

EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO ALL SECTIONS**EXCLUSIONS**

The following additional exclusions apply to this coverage:

We will not pay for costs or loss arising from the following:

1. Failure or interruption of or damage to the internet or an internet service provider.
2. Any attack on, incident involving, or loss to any computer or system of computers that is not a *computer system*.
3. Costs to research or correct any deficiency.
4. Any fines or penalties.
5. Any criminal investigations or proceedings.
6. Your intentional or willful complicity in a covered loss event or your reckless disregard for the security of your computer system or data.
7. Your reckless disregard for the security of your computer system or data, including confidential or sensitive information of others in your care, custody or control.
8. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
9. Any *computer attack*, *cyber extortion threat* or *wrongful act* occurring prior to the first inception

of this Cyber Liability coverage endorsement or any coverage substantially similar to that described in this endorsement.

10. That part of any *claim* seeking any non-monetary relief. However, this exclusion does not apply to *defense costs* arising from an otherwise insured *wrongful act*.
11. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.
12. Any oral or written publication of material, if done by you or at your direction with knowledge of its falsity.
13. *Property damage* or *bodily injury* other than mental anguish or mental injury alleged in a *claim* covered under Electronic Media Liability.

ADDITIONAL CONDITIONS

The following additional conditions apply to all coverages under this endorsement.

A. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve you or us of any obligation under this endorsement.

B. Defense and Settlement

1. We shall have the right and the duty to assume the defense of any applicable *claim* against you. You shall give us such information and cooperation as we may reasonably require.
2. You shall not admit liability for or settle any *claim* or incur any defense costs without our prior written consent.
3. At the time a *claim* is first reported to us, you may request that we appoint a defense attorney of your choice. We will give full consideration to any such request.
4. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such *claim* independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
5. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any *claim* after the limit has been exhausted.
6. We shall pay all interest on that amount of

any judgment within the Network Security Liability Limit which accrues:

- a. After entry of judgment; and
- b. Before we pay, offer to pay or deposit in court that part of the judgment within the Network Security Liability Limit or, in any case, before we pay or offer to pay the entire Network Security Liability Limit.

These interest payments shall be in addition to and not part of the Network Security Liability Limit.

C. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard file;
2. Providing and maintaining appropriate computer and internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing *personally identifying information*, *personally sensitive information* or *third party corporate data*, including shredding hard copy files and destroying physical media used to store electronic data.

D. Duties in the Event of a *Claim* or Loss

1. If, during the policy period, incidents or events occur which you reasonably believe may give rise to a *claim* for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative, or notice of a complaint filed with a federal, state or local agency; or upon an oral *claim*, allegation or threat, you shall give written notice to us as soon as practicable and either:
 - a. Anytime during the policy period or;
 - b. Anytime during the extended reporting periods (if applicable).
2. If a *claim* is brought against you, you must:
 - a. Immediately record the specifics of the *claim* and the date received; and
 - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the *claim* is first received by you.

- c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *claim*;
 - d. Authorize us to obtain records and other information;
 - e. Cooperate with us in the investigation, settlement or defense of the *claim*;
 - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such *claim*.
3. In the event of a *computer attack* or *cyber extortion threat* insured under this coverage form, you must see that the following are done:
- a. Notify the police if a law may have been broken.
 - b. Notify us as soon as practicable, but in no event more than 60 days after the *computer attack* or *cyber extortion threat*. Include a description of any property involved.
 - c. As soon as possible, give us a description of how, when and where the *computer attack* or *cyber extortion threat* occurred.
 - d. As often as may be reasonably required, permit us to:
 - 1) Inspect the property proving the *computer attack* or *cyber extortion threat*;
 - 2) Examine your books, records, electronic media and records and hardware;
 - 3) Take samples of damaged and undamaged property for inspection, testing and analysis; and
 - 4) Make copies from your books, records, electronic media and records and hardware.
 - e. Send us signed, sworn proof of loss containing the information we request to investigate the *computer attack* or *cyber extortion threat*. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - f. Cooperate with us in the investigation or settlement of the *computer attack* or *cyber extortion threat*.
 - g. If you intend to continue your business, resume all or part of your operations as quickly as possible.
 - h. Make no statement that will assume any obligation or admit any liability for any loss for which we may be liable, without our prior written consent.
 - i. Promptly send us any legal papers or notice received concerning the *loss*.
 - j. We may examine you under oath at such times as may be reasonably required, about any matter relating to this insurance or the *claim* or *loss*, including on your books and records. In the event of an examination, your answers must be signed.
 - k. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
- E. Extended Reporting Periods**
- 1. You shall have the right to the Extended Reporting Periods described in this section, in the event of a *termination of coverage*.
 - 2. If a *termination of coverage* has occurred, you shall have the right to the following:
 - a. At no additional premium, an Automatic Extended Reporting Period of 30 days immediately following the effective date of *termination of coverage* in which you may first receive notice of a *claim* arising directly from a *wrongful act* occurring before the end of the policy period and which is otherwise insured by this Cyber Liability Coverage; and
 - b. Upon payment of an additional premium of 100% of the full annual premium associated with the relevant coverage, a Supplemental Extended Reporting Period of 1 year immediately following the *termination of coverage* in which you may first receive notice of a *claim* arising directly from a *wrongful act* occurring before the end of the policy period and which is otherwise insured by this endorsement.
- To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 30 days of the *termination of coverage*. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

F. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

1. There has been full compliance with all of the terms of this insurance; and
2. The action is brought within two years after the date the *loss* is first discovered by you, or the date on which you first receive notice of a *claim*.

G. Legal Advice

We are not your legal advisor. Our determination of what is or is not insured under this Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

H. Other Insurance

If there is other insurance that applies to the same *loss*, this endorsement shall apply only as excess insurance after all other applicable insurance has been exhausted.

I. Service Providers

1. We will only pay under this endorsement for services that are provided by service providers approved by us. You must obtain our prior approval for a service provider whose expenses you want covered under this endorsement. We will not unreasonably withhold such approval.
2. You must come to agreement with us regarding service provider(s) to be used for the services provided. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - a. Such alternate service provider must be approved by us;
 - b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - c. Our payment for services provided by an alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

J. Services

The following conditions apply as respects any services provided to you by any service firm provided or paid for in whole or in part under this endorsement:

1. The effectiveness of such services depends on your cooperation and assistance.
2. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. "*Authorized Third Party User*" means a party who is not an employee or a director of you who is authorized by contract or other agreement to access the *computer system* for the recipient for delivery or services.
2. "*Bodily Injury*" means bodily injury, sickness or disease sustained by a person, including death, resulting from any of these at any time.
3. "*Business Income and Extra Expenses Loss*" means the loss of Business Income and Extra Expense actually incurred during the *Period of Restoration*.
 - a. As used in this definition, *Business Income* means the sum of:
 - 1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - 2) Continuing normal and necessary operating expenses incurred, including employee payroll.
 - b. As used in this definition, *Extra Expense* means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no *computer attack* occurred.
 - c. As used in this definition, *Period of Restoration* means the period of time that begins at the time the *computer attack* is first discovered by you and continues until the earlier of:
 - 1) The date that all data restoration, data re-creation and system restoration directly related to the *computer attack* has been completed; or
 - 2) The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch.
4. "*Claim*"
 - a. *Claim* means:

- 1) A written demand for monetary damages or non-monetary relief, including injunctive relief;
- 2) A civil proceeding commenced by the filing of a complaint;
- 3) An arbitration proceeding in which such damages are claimed and to which you must submit or does submit with our consent;
- 4) Any other alternative dispute resolution proceeding in which such damage are claimed and to which you must submit or to which we agree you should submit to;

arising from a *wrongful act* or a series of interrelated *wrongful acts*, including any resulting appeal.

- b. *Claim* does not mean or include any demand or action brought by or on behalf of someone who is:

- 1) Your director;
- 2) Your owner or part-owner; or
- 3) A holder of your securities;

in their capacity as such, whether directly, derivatively, or by class action.

5. "*Computer Attack*" means one of the following involving the *computer system*:
 - a. Unauthorized Access or Use - meaning the gaining of access to your *computer system* by (1) an unauthorized person or persons; or (2) an authorized person or persons;
 - b. Malware Attack - meaning damage to your *computer system* or data arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers. This does not mean damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your *computer system* during the manufacturing process; or
 - c. *Denial of Service Attack*.
6. "*Computer System*" means a computer or other electronic hardware that is owned or leased by you and operated under your control.
7. "*Cyber Extortion Expenses*" means:
 - a. The cost of a negotiator or investigator retained by you in connection with a *cyber extortion threat*; and
 - b. Any amount paid by you in response to a *cyber extortion threat* to the party that made the *cyber extortion threat* for the purposes of eliminating the *cyber extortion threat*.
8. "*Cyber Extortion Threat*" means:
 - a. *Cyber extortion threat* means a demand for money from you based on a credible threat,

or series of credible threats to:

- 1) Launch a *denial of service attack* against the *computer system* for the purpose of denying *authorized third party users* access to your services provided through the *computer system* via the Internet;
- 2) Gain access to a *computer system* and use that access to steal, release or publish *personally identifying information, personally sensitive information* or *third party corporate data*;
- 3) Alter, damage or destroy electronic data or software while such electronic data or software is stored within a *computer system*; or
- 4) Launch a *computer attack* against a *computer system* in order to alter, damage or destroy electronic data or software while such electronic data or software is stored within a *computer system*.

- b. *Cyber extortion threat* does not mean or include any threats made in connection with a legitimate commercial dispute.

9. "*Data Re-creation Costs*"

- a. *Data re-creation costs* means the costs of an outside professional firm hired by you to research, re-create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.
- b. *Data re-creation costs* also means your actual *business income loss* and your necessary and reasonable *extra expenses* arising from the lack of the lost or corrupted data during the time required to research, re-create and replace such data.
- c. *Data re-creation costs* does not mean costs to research, re-create or replace:
 - 1) Software programs or operating systems that are not commercially available; or
 - 2) Data that is obsolete, unnecessary or useless to you.

10. "*Data Restoration Costs*"

- a. *Data restoration costs* means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered *data restoration costs*, such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.

- b. *Data restoration cost* does not mean costs to research, restore or replace:
 - 1) Software programs or operating systems that are not commercially available; or
 - 2) Data that is obsolete, unnecessary or useless to you.
- 11. "*Defense Costs*"
 - a. *Defense costs* means reasonable and necessary expenses consented to by us resulting solely from the investigation, defense and appeal of any *claim* made against you. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
 - b. *Defense costs* does not mean or include the salaries or wages of your employees or directors, or your loss of earnings.
- 12. "*Denial of Service Attack*" means an intentional attack against you designed to overwhelm the capacity of your *computer system* in order to deny or impede authorized users from gaining access to your *computer system*.
- 13. "*Electronic Media Incident*" means an allegation that the display of information in electronic form by you on a website resulted in:
 - a. Infringement of another's copyright, title, slogan, trademark, trade name, trade dress, service mark or service name;
 - b. Defamation against a person or organization that is unintended; or
 - c. A violation of a person's right of privacy, including false light and public disclosure of private facts.
- 14. "*Loss*"
 - a. With respect to Computer Attack, *loss* means those expenses enumerated in Computer Attack, paragraph b.
 - b. With respect to Cyber Extortion, *loss* means *cyber extortion expenses*.
 - c. With respect to Network Security Liability and Electronic Media Liability, *loss* means *defense costs* and *settlement costs*.
- 15. "*Malware Attack*"
 - a. *Malware Attack* means an attack that damages a *computer system* or data contained therein arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers.
 - b. *Malware Attack* does not mean or include damage from shortcomings or mistakes in legitimate code or damage from code installed on your *computer system* during the manufacturing process or normal maintenance.
- 16. "*Network Security Incident*" means a negligent security failure or weakness with respect to a *computer system* which allowed one or more of the following to happen:
 - a. The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code;
 - b. The unintended abetting of a *denial of service attack* against one or more other systems; or
 - c. The unintended loss, release or disclosure of *third party corporate data*.
- 17. "*Period of Restoration*" means the period of time that begins at the time that the *computer attack* is discovered by you and continues until the earlier of:
 - a. The date that all data restoration, data re-creation and system restoration directly related to the *computer attack* has been completed; or
 - b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch.
- 18. "*Personally Identifying Information*"
 - a. *Personally identifying information* means information, including health information that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an affected individual. This includes, but is not limited to, Social Security numbers or account numbers.
 - b. *Personally identifying information* does not mean or include information that is otherwise available to the public, such as names and addresses.
- 19. "*Personally Sensitive Information*"
 - a. *Personally sensitive information* means private information specific to an individual the release of which requires notification of *affected individuals* under any applicable law.
 - b. *Personally sensitive information* does not mean or include personally identifying information.
- 20. "*Settlement Costs*"
 - a. *Settlement costs* means the following, when they arise from a *claim*:
 - 1) Damages, judgments or settlements; and
 - 2) Attorney's fees and other litigation costs added to that part of any judgment paid by us, when such fees and costs are awarded by law or court order.

- 3) Pre-judgment interest on that part of any judgment paid by us.
 - b. *Settlement costs* does not mean or include:
 - 1) Civil or criminal fines or penalties imposed by law;
 - 2) Punitive or exemplary damages;
 - 3) The multiple portion of multiplied damages;
 - 4) Taxes; or
 - 5) Matters which may be deemed uninsurable under the applicable law.
21. *"System Restoration Costs"*
- a. *System restoration costs* means the costs of an outside professional firm hired by you to do any of the following in order to restore your computer system to its pre-computer attack level of functionality:
 - 1) Replace or reinstall computer software programs;
 - 2) Remove any malicious code; and
 - 3) Configure or correct the configuration of your computer system.
 - b. *System restoration costs* does not mean:
 - 1) Costs to increase the speed, capacity or utility of your computer system;
 - 2) Labor of your employees;
 - 3) Any costs in excess of the actual cash value of your computer system; or
 - 4) Costs to repair or replace hardware.
22. *"Termination of coverage"* means:
- a. You or we cancel this Cyber Liability coverage;
 - b. You or we refuse to renew this Cyber Liability Coverage; or
 - c. We renew this Cyber Liability Coverage on an other than claims-made basis or with a retroactive date later than the date of the first inception of this Cyber Liability Coverage or any coverage substantially similar to that described in this Cyber Liability Coverage Form.
23. *"Third Party Corporate Data"*
- a. *Third party corporate data* means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not an insured under this endorsement which is not available to the general public and is provided to you subject to a mutually excluded written confidentiality agreement or which you are legally required to maintain in confidence.
 - b. *Third party corporate data* does not mean or include *personally identifying information* or *personally sensitive information*.
24. *"Wrongful Act"*
- a. With respect to Network Security Liability, *wrongful act* means a *network security incident*.
- All other provisions of this policy apply.

SCHEDULE**SECTION 1 - COMPUTER ATTACK AND CYBER EXTORTION**

Computer Attack and Cyber Extortion Limit	\$ 50,000 Annual Aggregate
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Sublimits	
Loss of Business	\$ 25,000
Public Relations	\$ 5,000
Cyber Extortion Expenses	\$ 10,000
	Per Occurrence

Computer Attack and Cyber Extortion Deductible	\$ 1,000 Per Occurrence
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SECTION 2 - NETWORK SECURITY LIABILITY

Network Security Liability Limit	\$ 50,000 Annual Aggregate
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Network Security Liability Deductible	\$ 1,000 Per Occurrence
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SECTION 3 - ELECTRONIC MEDIA LIABILITY

Electronic Media Liability Limit	\$ 50,000 Annual Aggregate
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Electronic Media Liability Deductible	\$ 1,000 Per Occurrence
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DATA BREACH COVERAGE RESPONSE EXPENSES AND DEFENSE AND LIABILITY

IL-7113(9-17)

This endorsement modifies insurance provided under the following:

BIS-PAK COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Coverage under this endorsement is subject to the Schedule.

The following is added as an Additional Coverage. This form may be endorsed onto a liability coverage form as a matter of convenience for policy issuance. In such a case, the coverage and service provided under this endorsement are separate from the liability coverage. Data Breach Coverage includes reimbursement of specified legal expenses as well as defense and liability against certain claims, but such coverage is subject to the Data Breach coverage limit. The limit and deductible applicable to Data Breach Coverage are separate from the limits and deductibles that apply to the coverage to which the endorsement attaches.

SECTION 1 - RESPONSE EXPENSES

DATA BREACH COVERED CAUSE OF LOSS

Coverage under this Data Breach Coverage endorsement applies only if all of the following conditions are met:

1. There has been a *personal data breach*; and
2. Such *personal data breach* is first discovered by you during the policy period for which this Data Breach Coverage endorsement is applicable; and
3. Such *personal data breach* is reported to us within 60 days after the date it is first discovered by you.

COVERAGE - SECTION 1

If the three conditions listed above in DATA BREACH COVERED CAUSE OF LOSS have been met, then we will provide coverage for the following expenses when they arise directly from the covered cause of loss and are necessary and reasonable. Coverages 4 and 5 apply only if there has been a notification of the *personal data breach* to *affected individuals* as covered under coverage 3.

1. Forensic IT Review

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the *personal data breach* and the number and identities of the *affected individuals*.

This does not include costs to analyze, re-search or determine any of the following:

- a. Vulnerabilities in systems, procedures or physical security;

- b. Compliance with Payment Card Industry or other industry security standards; or
- c. The nature or extent of loss or damage to data that is not *personally identifying information* or *personally sensitive information*.

If there is reasonable cause to suspect that a covered *personal data breach* may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered *personal data breach*. However, once it is determined that there was no covered *personal data breach*, we will not pay for any further costs.

2. Legal Review

Professional legal counsel review of the *personal data breach* and how you should best respond to it.

If there is reasonable cause to suspect that a covered *personal data breach* may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered *personal data breach*. However, once it is determined that there was no covered *personal data breach*, we will not pay for any further costs.

3. Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the *personal data breach* to *affected individuals*.

4. Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to *affected individuals*.

- a. The following services apply to any *personal data breach*.

1) Informational Materials

A packet of loss prevention and customer support information.

2) Help Line

A toll-free telephone line for *affected individuals* with questions about the *personal data breach*. Where applicable, the line can also be used to request additional services as listed in b. 1) and 2).

- b. The following additional services apply to *personal data breach* events involving *personally identifying information*.

1) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the *affected*

individual enrolling for this service with the designated service provider.

2) Identity Restoration Case Management

As respects any *affected individual* who is or appears to be a victim of *identity theft* that may reasonably have arisen from the *personal data breach*, the services of an identity restoration professional who will assist that *affected individual* through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

5. Public Relations Services

Professional public relations firm review of and response to the potential impact of the *personal data breach* on your business relationships.

This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with *affected individuals*. However, we will not pay for promotions:

- a. Provided to any of your directors or employees; or
- b. Costing more than \$25 per *affected individual*.

6. Regulatory Fines and Penalties

Any fine or penalty imposed by law, to the extent such fine or penalty is legally insurable.

7. Payment Card Industry Fines and Penalties

Any Payment Card Industry (PCI) fine or penalty imposed under a contract to which you are a party. PCI Fines and Penalties do not include any increased transaction costs.

LIMITS - SECTION 1

The most we will pay under Response Expenses coverage is the Data Breach Response Expenses Limit indicated for this endorsement.

The Data Breach Response Expenses Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all *personal data breach* events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of *personal data breach* events discovered by you during that period.

A *personal data breach* may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such *personal data breach* will be subject to the Data Breach Response Expenses Limit applicable to the policy period when the *personal data breach* was first discovered by you.

The most we will pay under Response Expenses coverage for loss arising from any *malware-related breach* is the Named Malware (Sec. 1) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 1) sublimit, all *malware-related breaches* that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single *personal data breach*.

The most we will pay under Forensic IT Review, Legal Review, Public Relations Services, Regulatory Fines and Penalties, and Payment Card Industry Fines and Penalties coverages for loss arising from any one *personal data breach* is the applicable sublimit for each of those coverages indicated for this endorsement. These sublimits are part of, and not in addition to, the Data Breach Response Expenses Limit. Public Relations Services coverage is also subject to a limit per *affected individual* as described in 5 Public Relations Services.

Coverage for Services to *affected individuals* is limited to costs to provide such services for a period of up to one year from the date of the notification to the *affected individuals*. Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

DEDUCTIBLE - SECTION 1

Response Expenses coverage is subject to the Response Expenses Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each *personal data breach* covered under this endorsement.

SECTION 2 - DEFENSE AND LIABILITY

DEFENSE AND LIABILITY COVERED CAUSE OF LOSS

Coverage under this Data Breach Coverage endorsement applies only if all three of the conditions in DATA BREACH COVERED CAUSE OF LOSS are met.

Only with regard to Section 2 - Defense and Liability coverage, the following conditions must also be met:

1. You have provided notifications and services to *affected individuals* in consultation with us pursuant to Response Expenses coverage; and
2. You receive notice of a *data breach suit* brought by or on behalf of one or more *affected individuals*, or a *regulatory proceeding* brought by a governmental entity; and
3. Notice of such *data breach suit* or *regulatory proceeding* is received by you within two years of the date that the *affected individuals* are notified of the *personal data breach*; and
4. Such *data breach suit* or *regulatory proceeding* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

COVERAGE - SECTION 2

If all of the conditions listed above in DEFENSE AND LIABILITY COVERED CAUSE OF LOSS have been met, then we will provide coverage for *data breach defense costs* and *data breach liability* directly arising from the covered cause of loss.

LIMITS - SECTION 2

The most we will pay under Defense and Liability coverage is the Data Breach Defense and Liability Limit indicated for this endorsement.

The Data Breach Defense and Liability Limit is an annual aggregate limit. This amount is the most we will pay for all loss covered under Section 2 (other than post-judgment interest) arising out of all *personal data breach* events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of *personal data breach* events discovered by you during that period.

A *personal data breach* may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs (other than post-judgment interest) arising from such *personal data breach* will be subject to the Data Breach Defense and Liability Limit applicable to the policy period when the *personal data breach* was first discovered by you.

The most we will pay under Defense and Liability coverage for loss arising from any *malware-related breach* is the Named Malware (Sec. 2) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 2) sublimit, all *malware-related breaches* that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single *personal data breach*. This sublimit is part of, and not in addition to, the Defense and Liability Limit.

DEDUCTIBLE - SECTION 2

Defense and Liability coverage is subject to the Defense and Liability Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each *data breach suit* or *regulatory proceeding* covered under this endorsement.

EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO BOTH SECTION 1 AND SECTION 2**EXCLUSIONS**

The following additional exclusions apply to this coverage:

We will not pay for costs arising from the following:

1. Costs to research or correct any deficiency.
2. Any fines or penalties other than those explicitly covered under COVERAGE - SECTION 1.
3. Any criminal investigations or proceedings.
4. Your intentional or willful complicity in a *personal data breach*.

5. Your reckless disregard for the security of *personally identifying information* or *personally sensitive information* in your care, custody or control.
6. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
7. Any *personal data breach* occurring prior to the date that this Data Breach Coverage endorsement, or any coverage substantially similar to that described in this endorsement, was first added to this policy.
8. That part of any *data breach suit* or *regulatory proceeding* seeking any non-monetary relief.
9. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software, created, produced or modified by you for sale, lease or license to third parties.
10. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.

ADDITIONAL CONDITIONS

The following Additional Conditions apply to all coverages under this endorsement.

A. Data Breach Liability Defense

1. We shall have the right and the duty to assume the defense of any applicable *data breach suit* or *regulatory proceeding* against you. You shall give us such information and cooperation as we may reasonably require.
2. You shall not admit liability for or settle any *data breach suit* or *regulatory proceeding* or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such *data breach suit* or *regulatory proceeding* independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any *data breach suit*, or *regulatory proceeding* after the Data Breach Defense and Liability Limit has been exhausted.

5. We shall pay all interest on that amount of any judgment within the Data Breach Defense and Liability Limit which accrues:

- a. After entry of judgment; and
- b. Before we pay, offer to pay or deposit in court that part of the judgment within the Data Breach Defense and Liability Limit or, in any case, before we pay or offer to pay the entire Data Breach Defense and Liability Limit.

These interest payments shall be in addition to and not part of the Data Breach Defense and Liability Limit.

B. Duties in the Event of a *Data Breach Suit Or Regulatory Proceeding*

1. If a *data breach suit* or *regulatory proceeding* is brought against you, you must:
 - a. Immediately record the specifics of the *data breach suit* or *regulatory proceeding* and the date received; and
 - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the *data breach suit* or *regulatory proceeding* is first received by you.
 - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *data breach suit* or *regulatory proceeding*;
 - d. Authorize us to obtain records and other information;
 - e. Cooperate with us in the investigation, settlement or defense of the *data breach suit* or *regulatory proceeding*;
 - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such *data breach suit* or *regulatory proceeding*.
2. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
3. If you become aware of a claim or complaint that may become a *data breach suit* or *regulatory proceeding*, you shall promptly inform us of such claim or complaint.

C. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement.

This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing *personally identifying information* or *personally sensitive information*, including shredding hard copy files and destroying physical media used to store electronic data.

D. Legal Advice

We are not your legal advisor. Our determination of what is or is not covered under this Data Breach Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

E. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to *affected individuals*. We assume no responsibility under this Data Breach Coverage for any services promised to *affected individuals* without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition F. Service Providers. You must provide the following at our pre-notification consultation with you:

1. The exact list of *affected individuals* to be notified, including contact information.
2. Information about the *personal data breach* that may appropriately be communicated with *affected individuals*.
3. The scope of services that you desire for the *affected individuals*. For example, coverage may be structured to provide fewer services in order to make those services available to more *affected individuals* without exceeding the available Response Expenses Limit.

F. Service Providers

1. We will only pay under this Data Breach Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Breach Coverage. We will not unreasonably withhold such approval.

2. Prior to the Pre-Notification Consultation described in Additional Condition E above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - a. Such alternate service provider must be approved by us;
 - b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - c. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

G. Services

The following conditions apply as respects any services provided to you or any *affected individual* by us, our designees or any service firm paid for in whole or in part under this Data Breach coverage:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all individuals. For example, *affected individuals* who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. *Affected Individual* means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose *personally identifying information* or *personally sensitive information* is lost, stolen, accidentally released or accidentally published by a *personal data breach* covered under this endorsement. This definition is subject to the following provisions:

- a. *Affected individual* does not include any business or organization. Only an individual person may be an *affected individual*.
- b. An *affected individual* must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:
 - 1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as *affected individuals*. However, specific individuals may qualify as *affected individuals* for another reason, such as being an employee of yours.
 - 2) If you store, process, transmit or transport records, the individuals whose *personally identifying information* or *personally sensitive information* you are storing, processing, transmitting or transporting for another entity do not qualify as *affected individuals*. However, specific individuals may qualify as *affected individuals* for another reason, such as being an employee of yours.
 - 3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as *affected individuals*. However, specific individuals may qualify as *affected individuals* for another reason, such as being an employee of the operation insured under this policy.
- c. An *affected individual* may reside anywhere in the world.
2. *Data Breach Defense Costs* means expenses resulting solely from the investigation, defense and appeal of any *data breach suit* or *regulatory proceeding* against you. Such expenses must be reasonable and necessary. They will be incurred by us. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond.
3. *Data Breach Liability*
 - a. *Data breach liability* means the following, when they arise from a *data breach suit*:
 - 1) Damages, judgments or settlements to *affected individuals*;
 - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and

- 3) Pre-judgment interest on that part of any judgment paid by us.

b. *Data breach liability* does not mean:

- 1) Damages, judgments or settlements to anyone who is not an *affected individual*;
- 2) Civil or criminal fines or penalties imposed by law other than those explicitly covered under SECTION 1 - RESPONSE EXPENSES;
- 3) Punitive or exemplary damages;
- 4) The multiplied portion of multiplied damages;
- 5) Taxes; or
- 6) Matters which may be deemed uninsurable under the applicable law.

4. *Data Breach Suit*

- a. *Data Breach Suit* means a civil proceeding in which damages to one or more *affected individuals* arising from a *personal data breach* or the violation of a governmental statute or regulation are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. *Data breach suit* includes:

- 1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
- 2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; or
- 3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.

- b. *Data breach suit* does not mean any demand or action brought by or on behalf of someone who is:

- 1) Your director or officer;
- 2) Your owner or part-owner; or
- 3) A holder of your securities;

in their capacity as such, whether directly, derivatively, or by class action. *Data breach suit* will include proceedings brought by such individuals in their capacity as *affected individuals*, but only to the extent that the damages claimed are the same as would apply to any other *affected individual*.

- c. *Data breach suit* does not mean any demand or action brought by an organization, business, institution, or any other party that is not an *affected individual* or governmental entity. *Data breach suit* does not mean

any demand or action brought on behalf of an organization, business, institution, governmental entity or any other party that is not an *affected individual*.

5. *Identity Theft* means the fraudulent use of *personally identifying information*. This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

Identify theft does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

6. *Malware-Related Breach* means a *personal data breach* that is caused, enabled or abetted by a virus or other malicious code that, at the time of the *personal data breach*, is named and recognized by the CERT Coordination Center, McAfee, Secunia, Symantec or other comparable third party monitors of malicious code activity.

7. *Personal Data Breach* means the loss, theft, accidental release or accidental publication of *personally identifying information* or *personally sensitive information* as respects one or more *affected individuals*. If the loss, theft, accidental release or accidental publication involves *personally identifying information*, such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

- a. At the time of the loss, theft, accidental release or accidental publication, the *personally identifying information* or *personally sensitive information* need not be at the insured premises but must be in the direct care, custody or control of:

- 1) You; or
- 2) A professional entity with which you have a direct relationship and to which you (or an *affected individual* at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.

- b. *Personal data breach* includes disposal or abandonment of *personally identifying information* or *personally sensitive information* without appropriate safeguards such as shredding or destruction, subject to the following provisions:

- 1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
- 2) Such disposal or abandonment must take place during the time period for

which this Data Breach Coverage endorsement is effective.

- c. *Personal data breach* includes situations where there is a reasonable cause to suspect that such *personally identifying information* or *personally sensitive information* has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
- d. All incidents of *personal data breach* that are discovered at the same time or arise from the same cause will be considered one *personal data breach*.
8. *Personally Identifying Information* means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an *affected individual*. This includes, but is not limited to, Social Security numbers or account numbers.

Personally identifying information does not mean or include information that is otherwise available to the public, such as names and addresses.

9. *Personally Sensitive Information* means private information specific to an individual the release of which requires notification of *affected individuals* under any applicable law.

Personally sensitive information does not mean or include *personally identifying information*.

10. *Regulatory Proceeding* means an investigation, demand or proceeding alleging a violation of law or regulation arising from a *personal data breach* brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.

All other provisions of this policy apply.

SCHEDULE

SECTION 1 - RESPONSE EXPENSES

Data Breach	
Response Expenses Limit:	\$ 50,000
	Annual Aggregate
Sublimits	
Named Malware (Sec. 1):	\$ 50,000
Forensic IT Review:	\$ 25,000
Legal Review:	\$ 25,000
Public Relations Services:	\$ 5,000
Regulatory Fines and Penalties:	\$ 25,000
Payment Card Industry Fines and Penalties:	\$ 25,000
	Any one <i>Personal Data Breach</i>
Response Expenses Deductible:	\$ 1,000
	Any one <i>Personal Data Breach</i>

SECTION 2 - DEFENSE AND LIABILITY

Data Breach	
Defense and Liability Limit:	\$ 50,000
	Annual Aggregate
Sublimits	
Named Malware (Sec. 2):	\$ 50,000
	Any one <i>Personal Data Breach</i>
Defense and Liability Deductible:	\$ 1,000
	Each <i>Data Breach Suit</i>

PROTECTIVE SAFEGUARDS

IL-0415R(1-06)

This endorsement modifies insurance provided under the following:

BIS-PAK COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

1. The following is added to the Commercial Property Conditions and the Bis-Pak Property General Conditions:

Protective Safeguards

- a. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule.
- b. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" **Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- (1) Any automatic fire protective or extinguishing system, including connected:
 - (a) Sprinklers and discharge nozzles;
 - (b) Ducts, pipes, valves and fittings;
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
 - (a) Nonautomatic fire protective systems; and
 - (b) Hydrants, standpipes and outlets.

"P-2" **Automatic Fire Alarm**, protecting the entire building, that is:

- (1) Connected to a central station; or

- (2) Reporting to a public or private fire alarm station.

"P-3" **Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" **Service Contract**, with a privately owned fire department providing fire protection service to the described premises.

"P-9," the protective system described in the Schedule.

2. The following is added to the Exclusions section of:

Causes of Loss - Basic Form

Causes of Loss - Broad Form

Causes of Loss - Special Form

Deluxe Bis-Pak Property Coverage Form

Mortgage Holder's Errors and Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

- a. Knew of any suspension or impairment in any protective safeguard listed in the Schedule and failed to notify us of that fact; or
- b. Failed to maintain any protective safeguard listed in the Schedule, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable	Description of Any "P-9" if Applicable
008	001	P-9	UL300 WET CHEMICAL SYSTEM
001	001	P-9	UL300 WET CHEMICAL SYSTEM
002	001	P-9	UL300 WET CHEMICAL SYSTEM
003	001	P-1, P-9	UL300 WET CHEMICAL SYSTEM
004	001	P-1, P-9	UL300 WET CHEMICAL SYSTEM
005	001	P-9	UL300 WET CHEMICAL SYSTEM
006	001	P-9	UL300 WET CHEMICAL SYSTEM
007	001	P-9	UL300 WET CHEMICAL SYSTEM
009	001	P-9	UL300 WET CHEMICAL SYSTEM

LIMITED FUNGI OR BACTERIA COVERAGE (LIABILITY)**CB-0578(4-10)**

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

- A.** The following is added to Paragraph 1p under Exclusions:

Arising out of a *fungi or bacteria incident*.

- B.** The following is added to Paragraph 1p(10) under Exclusions:

(c) Abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.

- C.** Coverage provided by this insurance for *bodily injury or property damage*, arising out of a *fungi or bacteria incident*, is subject to the Fungi and Bacteria Liability Aggregate Limit as described in Paragraph D of this endorsement. This provision C does not apply to any *fungi* or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- D.** The following are added to Liability and Medical Expenses Limits of Insurance:

1. The Fungi and Bacteria Liability Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all *bodily injury or property damage* and medi-

cal expenses arising out of one or more *fungi or bacteria incidents*. This provision D1 does not apply to any *fungi* or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

2. Paragraphs 2 and 3 of the Liability and Medical Expenses Limits of Insurance continue to apply to *bodily injury or property damage* arising out of a *fungi or bacteria incident* but only if, and to the extent that, limits are available under the Fungi and Bacteria Liability Aggregate Limit.

- E.** The following definitions are added to Liability and Medical Expenses Definitions:

1. "*Fungi*" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "*Fungi or bacteria incident*" means an incident which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

SCHEDULE

**Fungi and Bacteria Liability
Aggregate Limit**

\$50,000

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NEVADA AUTOMOBILE INSURANCE IDENTIFICATION CARD

NAIC Number:
141842800 South Taylor Drive, PO Box 58
Sheboygan, WI 53082-0058

Policy Number ZD8324
 Policy Period 09-01-19 To 09-01-20
 Named Insured EW LIVE LLC
 DBA EGG & I
 Address 5321 CAMERON ST
 LAS VEGAS NV 89118
 Your Agency SAFEGUARD INSURANCE
 702.638.0022
 Your Car 05 TOYOTA TUNDRA DOUBLE CAB LIMIT
 5TBET38175S491708
 FOR ALL CLAIMS CALL 800.242.7666

Acuity, A Mutual Insurance Company

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 Your Agency SAFEGUARD INSURANCE
 702.638.0022
 Your Car 12 FORD ECONOLINE E250 VAN
 1FTNE2EW3CDA54728
 FOR ALL CLAIMS CALL 800.242.7666

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 702.638.0022
 Your Car 15 MITSUBISHI FUSO TRUCK OF AMERI
 JL6CRG1A1FK000239
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IF YOU HAVE AN ACCIDENT OR LOSS

1. Write down the names and addresses of persons and of witnesses involved, and license numbers.
2. Notify the police immediately.
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4. Do not admit liability, authorize repairs or discuss the accident with anyone except a known Acuity representative or the police.

This coverage meets the requirements set forth in NRS Sec. 485.185. This evidence of insurance has been approved by the Nevada Commissioner of Insurance.



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 LAS VEGAS NV 89118
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 702.638.0022
 Your Car 16 FORD TRANSIT T-150
 1FTYE1YM7GKA04756
 FOR ALL CLAIMS CALL 800.242.7666

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2800 South Taylor Drive, PO Box 58
Sheboygan, WI 53082-0058

THIS EVIDENCE OF INSURANCE MUST
BE CARRIED IN THE INSURED MOTOR
VEHICLE FOR
PRODUCTION UPON DEMAND

IF YOU HAVE AN ACCIDENT OR LOSS

1. Write down the names and addresses of persons and of witnesses involved, and license numbers.
2. Notify the police immediately.
3. Report the accident or loss to us promptly. If anyone is injured or your car or the property of others is substantially damaged, telephone us at the number shown on the front of this card.
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